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Daily Report

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FBIS-AFR-92-055

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OAU Chairman Seeks UN Intervention in Somalia

*AB1903151592 Lagos Radio Nigeria Network
in English 1800 GMT 18 Mar 92*

[Text] The OAU chairman, President Ibrahim Babangida, has called for direct action by the Security Council to resolve the Somali conflict. In an address to the UN Security Council, the OAU chairman said the council should take a definite step to establish UN presence in Somalia through the deployment of a military observer mission to monitor the cease-fire there.

President Babangida said this is the minimum action that is expected from the Security Council otherwise Africa would be left with no other impression than that her problems were of limited concern to the international community. The OAU chairman argued that Africa deserved the same attention which had been paid to other regions by the United Nations, adding that Africa's case for such attention was stronger in view of our weak economic bases.

He reiterated Nigeria's willingness to host a Somali national reconciliation conference in Abuja under the joint auspices of the United Nations and the OAU, the Organization of Islamic Conference, and the League of Arab States. President Babangida called on all parties in the Somali conflict to stop hostilities and to observe the cease-fire in their country.

OAU Expresses 'Satisfaction' With Referendum

*EA1903191592 Addis Ababa ENA in English
1613 GMT 19 Mar 92*

[Excerpt] Addis Ababa, 19 Mar (ENA)—Mr. Salim Ahmed Salim, the secretary-general of the Organisation of African Unity (OAU), has expressed satisfaction over the decision of the white population in South Africa to choose the direction of peace in their support of the process of negotiation that has already begun.

In a statement issued by the OAU Secretariat in connection with the outcome of the whites-only referendum on the process of negotiations in South Africa, Mr. Salim said that "this choice represents a clear realisation on the part of the white community that the future of South Africa lies not in the politics of confrontation and apartheid but in the process of genuine negotiation."

The secretary-general expressed the hope that this "watershed development" will give impetus to the process of dialogue leading to the establishment of a united non-racial and democratic South Africa based on majority rule and accommodating the interests of all South Africans.

Mr. Salim seized on the opportunity to urge the leaders of the various parties involved to live up to the expectation of all South Africans and to exercise leadership in working towards the birth of a new South Africa which Africa and the international community will be happy to welcome in their ranks. [passage omitted]

Botswana, Zimbabwe, Namibia Leaders Meet 18 Mar

*MB1903053292 Gaborone Radio Botswana Network
in English 1910 GMT 18 Mar 92*

[Text] The presidents, Sir Ketumile Masire, Robert Mugabe of Zimbabwe, and Sam Nujoma of Namibia met in Gaborone this afternoon to review bilateral relations that exist between their countries. A communique issued after the meeting says the three leaders noted with satisfaction that their countries enjoy friendly relations in the political and other spheres. They said the excellent political relations between their countries provide a basis for even a better and more practical cooperation in other areas of mutual interest. The presidents called upon the various competent authorities in their respective governments to work out and implement ways and means of giving a greater effect to real and practical cooperation at every level.

The presidents also observed and emphasized the need for their respective governments to promote cooperation between and among their countries and people in industrial and other economic sectors through joint projects in each of the three countries. Such projects they said could and should be jointly designed and executed by parastatals or by the private sector of each of their countries. The communique said the presidents also reviewed the unprecedented drought situation presently gripping the southern region and, in particular, their countries. They noted with concern the severity of the drought, especially its potential threat to the fragile economies of their countries, with equally devastating consequences to human lives.

On correct developments in South Africa, the three leaders say they are encouraged by the results of the whites only referendum on President De Klerk's constitutional reform within the context of Codesa [Convention for a Democratic South Africa]. They expressed the hope that the majority yes vote will encourage President de Klerk to proceed resolutely and with greater determination to work out, in cooperation with the liberation movements and other progressive forces, a permanent solution to the problems of South Africa, for the total eradication of apartheid and achievement of the full democracy in that country on the basis of one man one vote.

Meanwhile, the last result of the referendum for the Roodepoort constituency gave the yes vote a 124,737 lead over the 113,145 no vote, giving President De Klerk an overwhelming victory to continue his reform process. Speaking at a luncheon Sir Ketumile said it was important for countries of the region to work together and hatch plans for the region. For his part President Mugabe, who is also the chairman of the Frontline States, said the grouping would confer with the liberation movements on what's the next (?stage) to be taken in South Africa. He said Botswana and Zimbabwe had [words indistinct] cooperation and that it was necessary for Namibia to join in and strengthen that cooperation because Botswana and Namibia share a long border. He

also said Botswana, Namibia and Zimbabwe are all members of SADCC [Southern African Development Coordination Conference] and that the organization also encourages its members to cooperate bilaterally.

President Nujoma, who was in Botswana for a one-day official visit returned home this afternoon while President Mugabe who is on a private visit is to leave over the weekend.

Congo

Prime Minister Hails 'Yes' Vote in Referendum

AB1803145092 Brazzaville Radio Nationale
Congolaise Network in French 1830 GMT 17 Mar 92

[Speech by Congolese Prime Minister Andre Milongo in Brazzaville on 17 March—recorded]

[Text] Congolese people, dear compatriots: You have just voted massively in favor of the Constitution establishing the rule of law in honor, discipline, and serenity. It is an honor and real motive of satisfaction for the transitional government to note that you have answered its call.

Despite the few imperfections and certain difficulties met on the terrain, you have thereby concretized your firm determination to be governed in the future on the basis of a different and new system. Your massive movement to the polling stations has shown your manifest desire for change in the manner of conducting our country's affairs. This gesture constitutes the greatest lesson that any observer could learn concerning the referendum.

I wish to pay deserved tribute to you all, daughters and sons of this country, for depriving yourselves of your Sunday activities in order to perform your civic duties, sometimes at late hours and in the rain. I salute your courage and dignity. I salute this victory which remains yours. This is a victory over yourselves, for having agreed to make so many sacrifices, a victory against the many obstacles placed on your path toward democracy, and last, a victory of the rule of law. This is also the opportunity to thank warmly, on behalf of the government, and you all, the international community whose material help was so crucial in the holding of these polls.

Congolese people, other elections are awaiting us. I am hopeful that it is with the same ardor, the same enthusiasm, and the same discipline, in unity and peace, that you will elect the leaders of your choice. The transitional government will endeavor to correct the imperfections that you noticed during this first undertaking. I will also remind you that the census and revision of the voters' register will continue.

The 15 March Constitution heralds a new era, that of national unity, peace, and concord. Let us consolidate it by carrying the transition through to the end together.

Long live democracy! Long live the Republic! Long live our dear and beautiful country! [end recording]

Over 80 Percent of Voters 'Favor' New Constitution

AB1603112092 Paris AFP in French 1015 GMT
16 Mar 92

[Text] Brazzaville, 16 Mar (AFP)—The first count of the votes in the referendum held yesterday in Congo shows that more than 80 percent of voters are in favor of the

new Constitution. Mr. Alexis Gabou, Congolese minister of interior told AFP this morning. According to the government official, final results will only be published on Tuesday. Participation rate in this constitutional referendum is 90 percent, he added. More than 1 million people were registered as voters, it was learned from sources close to the Ministry of Interior.

Rwanda

Bomb Kills One, Injures 36 in Kigali 19 Mar

EA1903193092 Kigali Radiodiffusion Nationale
de la Republique Rwandaise in Kinyarwanda
1700 GMT 19 Mar 92

[Excerpt] Today, at around 1230 there was a bomb blast at the bus terminal in Kigali. The bomb had been planted in a van that had stopped after coming from Kibungo [southeastern Rwanda]. The bomb killed one person and injured 36 others, 10 seriously, including four women. We received these figures this evening from the Kigali Hospital administration. The bomb destroyed the vehicle in which it had been planted and seriously damaged three others that were parked nearby.

Our colleague, Robert Simba, talked to the Kigali prefect, Lieutenant Colonel Tharcisse Renzaho, to see what happened.

[Begin Renzaho recording] The bomb blew up in a van belonging to a man called Mugabo from Kigarama Commune in Kibungo Prefecture. He said that he had left his home at 0900 carrying passengers. He arrived at the bus station at around 1225 hours. He then went to register. His passengers descended from the vehicle. That left the conductor and new passengers who were waiting to enter the van. It was then that the van blew up in the rear, where the trunk and the gas tank are. This leads one to think that the bomb must have been in the luggage. That is how we see it. [passage omitted] [end recording]

Zaire

MPR 'Deplores' Monsengwo's Rejection of Talks

LD2003000592 Kinshasa Zaire OZRT Television
Network in French 1914 GMT 19 Mar 92

[Communique issued by the Popular Movement of the Revolution in Kinshasa on 19 March 1992]

[Text] The Popular Movement of the Revolution [MPR] deplores Monsignor Monsengwo's refusal to respond to the invitation made to him by the prime minister. The verbal nature of this invitation, cited by a certain section of opinion, cannot justify this refusal, even less so since Msgr. Monsengwo himself has more than once employed verbal invitations to assemble the various political protagonists. The MPR has never considered that, faced

with the imperative of our people's survival, it could count the number of unproductive meetings, either with the Monsignor chairman [of the National Conference Provisional Bureau], or with the other political forces to justify the rejection of a dialogue which might reduce the level of political tension in the nation.

The MPR is convinced that any rejection of dialogue with regard to the resumption of the work of the sovereign national conference can only contribute to worsening the tense political climate which reigns in the country, as well as the woes and the suffering of our people. The MPR hopes that Msgr. Monsengwo, the chairman of the National Conference Provisional Bureau, in his capacity as a shepherd of God's people, will not adopt entrenched and rigid positions like those of certain politicians.

The MPR fervently wishes that the organizing power, the chairman of the Provisional Bureau of the sovereign National Conference, and all political protagonists may proceed along the path of a single logic, which is that of dialogue, in order to free Zaire from the current political deadlock so that priority can be given to the economic and social fight.

[Signed] Banza Mukalay Nsungu, first vice chairman of the MPR.

'Thousands' Flee From 'Reported Rebel Activity'

*AB1903194592 London BBC World Service in English
1705 GMT 19 Mar 92*

[From the "Focus on Africa" program]

[Text] Refugees from eastern Zaire continue to flock across the border into neighboring Uganda. They have been pouring in the thousands for some weeks, fleeing

reported rebel activity. There are predictions of more to come, and already the authorities on the Uganda side of the border are finding it hard to cope with the influx of Zairians. From Kampala, Eppajar Ojullu reports:

[Begin Ojullu recording] Thousands of Zairian refugees continue to flock into Uganda's (Bundi-ruje) District, and officials estimate that over 20,000 have now been registered. The number is likely to grow higher as more continue to arrive every day. Several refugees I talked to told me that they had fled from fighting between rebels and Zairian government troops. When I asked who the rebels were, they told me that they had seen a written message left behind by the rebels, saying they belong to the Mouvement Nationale Congolaise, MNC. The message said that they were fighting for the restoration of democracy. The rebel commander was identified only as Ali. The refugees claimed that the rebels had been shouting words of praise of former Prime Minister Etienne Tsekededi and Louis Lumumba, son of the late Patrice Lumumba.

Yesterday, I visited some of the villages with a heavy concentration of refugees. They included Bundingoma, Namandi, Bundimirambi, (Mulungitanwa, Yakassoha), and Bukura, in Bubandi Sub-County near the Zairian border. There were 3,000 rebels crammed in the tiny villages. In another village, (Uhumia,) in another sub-county, 168 refugees were registered on Monday [16 March] alone. The refugees told me they came from areas neighboring Uganda, such as Nobiri, Kamango, Nsongo, and (Houissa). They fled with their chiefs as well. One former chief of (Offoumou) Sub-County, Mr. Ernest Simana Kadambi, 55, said he had fled with his family of 24. He said all his property, including houses, had been bombed by the government troops which suspected him of being a rebel sympathizer. [end recording]

Ethiopia

President Zenawi on Regional, Domestic Issues

NC1503080192 Cairo MENA in Arabic 2230 GMT
14 Mar 92

[Text] Cairo, 14 Mar (MENA)—In an interview with AL-AHRAM that will appear in Sunday's edition, Ethiopian leader Meles Zenawi stresses Ethiopia's support for Egyptian efforts, under President Husni Mubarak, to solve the Middle East problem.

The Ethiopian leader said he hopes the efforts will succeed and that Egypt's role in the matter is worthy of our appreciation. We hope these efforts will be met with some response from the other parties, especially the Palestinians.

In an exclusive interview with AL-AHRAM, Zenawi said that Ethiopia supports a solution to the Palestine question on the basis of recognition of the Palestinian people's rights and the interests of all other parties.

He added that Ethiopia welcomes any effort in this direction and said he understands that this march is difficult. All obstacles to resolving the issue need to be removed, he said, adding: We wish all the parties participating in the peace process success. Zenawi expressed his belief that a peaceful solution to the problem must be based on the UN resolutions on the issue and take into account the rights of the Palestinian people and the interests of the other countries in the region. This is the kind of attitude needed for the peace talks to be a success.

Regarding the situation in Ethiopia, Zenawi said that the nation has adopted a democratic charter. When we implement this charter, he added, the first vital step will be to set up local governments to work within a framework of strong links with the federal government. This is a first here, he noted. He said that local elections will be held soon and will be a keystone in the nation's democratic process.

He said: We are in the process of making the final steps to bring stability to the country. These steps, he continued, include disarming troublesome groups and bringing the militia and other fighters into the camps. After that, we start amending the Constitution, which will be considered a crowning achievement of the democratic march in our country.

The Ethiopian leader said that the response of the financial and international institutions to the Ethiopian economic reforms has been encouraging. The response from the countries that grant aid, especially the United States and Europe, is also encouraging. We want to see more of an effort and to get more effective material aid, he added.

Zenawi said that relations between the Ethiopian and Eritrean people will continue as they are now until the referendum is held, adding: Our relations will depend on our efforts to establish fraternal relations between the

two peoples on new bases. What we are trying to do, he continued, is heal the wounds of the last 30 years of war.

The problem in Eritrea is very old, he added, and we will not postpone reforms, which might contain separatist trends. The results to date have been very encouraging, he said.

Zenawi said that the separatist trends are currently very divided on the political level. There is, however, a general demand for a certain degree of independence, he noted, adding: The need for unity is there. The question before us now is what form this unity will take and what the various political groups will do about the unity. This has not yet been discussed; however, I do not believe hegemony will play a part.

I believe, Zenawi said, that in order to settle regional disputes a great deal depends on the level of cooperation and understanding between the countries of the region themselves. International and regional organizations need to play a role in efforts to reach a solution. When we talk about permanent and sound solutions, he said, they must be based on understanding and accord between the government and the people.

As far as we are concerned, he continued, the issue is one of concentrating on regional understanding and reconciliation and on international and regional aid. He said: We exchange viewpoints with Egypt and the regional organizations on these issues.

Concluding his interview, the Ethiopian leader called for stronger relations to be established with Egypt now that the situation in Ethiopia has improved.

Transitional Government, EEC Sign Loan Accord

EA1903170092 Addis Ababa Voice of Ethiopia
Network in Amharic 1700 GMT 18 Mar 92

[Excerpt] An agreement was signed today between the EEC and the Ethiopian Transitional Government for \$670 million. It is a part assistance and part loan agreement with long-term low interest repayment rates. Of the money, which will be available under Lome Convention IV, \$570 million constitutes free assistance while \$100 million constitutes a long-term low interest loan. [passage omitted]

EEC Agrees to Provide 'Urgent' Aid to Eritrea

EA1903184592 Asmara Voice of the Broad Masses
of Eritrea in Amharic 1630 GMT 18 Mar 92

[Text] An agreement has been signed for urgent assistance to Eritrea from the EEC as well as for carrying out development projects. The EEC delegation left for home this morning, after the conclusion of the agreement.

In a press statement released by Mr. Philippe Soubestre, director of EEC development activities and head of the delegation, he said that the discussions with the secretary general of the Eritrean Provisional Government were positive. He added that agreement had been reached,

and that the EEC will soon provide not only the usual assistance but, also, assistance for political activities by paying attention to such activities. The EEC delegation arrived in Asmera yesterday afternoon.

Kenya

Office of President Suspends Political Rallies

EA1903204092 Nairobi KTN Television in English
1800 GMT 19 Mar 92

[Text] The Office of the President has suspended all political rallies in the country until the current wave of tension which has threatened peace has subsided.

A press statement issued this evening and signed by the permanent secretary in the Office of the President who is also in charge of internal security, W. K. K. Kimalat, said the rallies would resume as soon as the situation normalized.

Kimalat appealed for maximum cooperation from all parties concerned in the interest of law and order. He apologized for any inconvenience this abrupt step caused.

Police Commissioner Updates Security Situation

EA1903220092 Nairobi KNA in English 1649 GMT
19 Mar 92

[Text] Nairobi, 19 Mar (KNA)—The police commissioner, Mr. Philip Kilonzo, has issued an update on the security situation in areas hit by a wave of lawlessness, arson and looting.

In his statement, the commissioner has brought to the public's attention that the situation has greatly improved as a result of notable cooperation between members of the public and security personnel.

This exemplary effort and collective responsibility in ensuring that law and order prevailed has enhanced peaceful coexistence of the various communities, he said in the statement.

As of this afternoon, he noted, no major incident had been reported so far and he commended members of the public and the security personnel in the affected areas for their positive contribution to improve maintenance of law and order.

Somalia

Prime Minister Urges UN To Send 'Peacekeepers'

NC1903160692 Paris AFP in English 1540 GMT
19 Mar 92

[Text] Riyadh, March 19 (AFP)—Somali Prime Minister Arteh Ghalib Omar on Thursday urged the United Nations to dispatch peacekeepers to his country to

enforce a ceasefire signed earlier this month, but still ignored by warring factions.

Omar told AFP that a mission to force Somali fighters to lay down their weapons in line with the March 3 truce would be "long and difficult."

He dismissed as insufficient a proposal by U.N. Secretary General Butrus Ghali to send a technical United Nations team to the war-torn East African state.

"We had expected more," Omar said, adding that he had asked the U.N. chief to dispatch peacekeepers to Somalia.

Butrus Ghali wants a technical team to pave the way for a future operation aimed at supervising the ceasefire in Somalia, where violent clashes between rival factions have left at least 25,000 casualties since November.

Omar said he had also suggested to the U.N. chief that weapons currently in the hands of independent factions in Somalia should be "bought." He did not elaborate.

U.N. sources in Mogadishu have blamed independent armed elements of blocking a ship from unloading a cargo of food two weeks ago to the famine-stricken country.

Omar said humanitarian assistance should be dispatched "urgently" to Somalia, and suggested that it be unloaded at other ports such as Berbera and Merca.

President Discusses Team Visit With UN Envoy

EA1903210092 Mogadishu Voice of the Somali
Republic in Somali 1700 GMT 19 Mar 92

[Text] Mr. Ali Mahdi Mohamed, the president of the Somali Republic, today received a written message from Dr. Butrus Ghali, the UN secretary general. The message, which was delivered by Mr. David Bassiouni, concerned the UN Security Council resolution regarding the sending of a technical team to Somalia to prepare the ground for the peace-keeping forces and to help implement food aid distribution.

The president briefed the envoy on the overall national situation and how the interim government was honoring the cease-fire agreement signed on the third of this month in Mogadishu. The president added that taking into consideration the interests and destiny of the Somali people, the government was giving priority to the restoration of peace and stability.

Mr. Ali Mahdi Mohamed told the envoy that the Somali people were in dire need of emergency aid, adding that the government would extend its full support to the distribution work of food and medicine.

Mr. David Bassiouni, the UN special envoy, told the president that a 16-man technical team from the UN, the OAU, the Arab League and the Islamic [Conference] Organization would arrive in Mogadishu on 23 March to study how the peace-keeping forces should be sent to Mogadishu to observe the cease-fire. Mr. Bassiouni said that the UN Security Council resolutions on Somalia appealed for cooperation with this team.

Botha, Zambian Counterpart View Regional Problem.

*MB1903171592 Johannesburg SAPA in English
1545 GMT 19 Mar 92*

[Text] Johannesburg March 19 SAPA—South Africa and Zambia's ministers of foreign affairs said on Thursday [19 March] that southern African countries should cooperate to ensure the effective transportation of emergency food supplies to the drought-devastated region.

Mr Pik Botha and his Zambian counterpart Mr Vernon Mwaanga said after meeting at Jan Smuts Airport that southern African countries should urgently meet to discuss the best utilisation of the region's transport and port facilities.

Mr Botha hoped foreign countries would sell maize to the region at reduced prices.

"Now is the time to prove to Africa they have not forsaken Africa and southern Africa."

Mr Botha, who leaves on Thursday for a visit to the Republic of China, Japan, Korea and Singapore, said he would raise the subject in Tokyo.

Mr Mwaanga—who said he was happy to be the first foreign minister to be able to congratulate Mr Botha in person on the referendum result—said he expected that 10 million to 12 million tons of food would have been transported through the region to prevent food shortages. For this reason the region's transport and port facilities should be rationalised.

Mr Botha said the referendum result meant that the normalisation of ties with African countries was now only a formality.

The two ministers also announced that visa requirements for citizens of the two countries would be dropped. Visas, valid for 30 days, could now be obtained upon entry.

Mr Mwaanga said he would be meeting with leaders from the ANC [African National Congress], Inkatha, PAC [Pan-Africanist Congress] and the DP [Democratic Party] during his visit, and also meet with representatives of Anglo American and other businesses.

Police Deny Security Forces on 'Full Alert'

*MB2003103092 Umtata Capital Radio in English
0900 GMT 20 Mar 92*

[Text] A senior police officer has denied media reports that the police are on full alert throughout South Africa. Colonel Bill Dennis says reports that police are on full alert to stop possible violence following the yes win in the referendum create the wrong impression. But he has conceded that the police are carrying out crime prevention exercises.

[Begin Dennis recording, in progress] ...it indicates that the police have been placed on alert countrywide, but

that is definitely not the case. We have been involved in a number of crime prevention operations, and we have had a lot of people performing duties during the referendum, over the referendum period, which might have created that sort of perception. [end recording]

That's police spokesman Col. Bill Dennis. Meanwhile, a number of people have told Capital News that they've been informed by the defense force that they're on 24-hour standby. There have also been reports of unusual military aircraft movements, which appear to be from Natal to Transvaal, in the early hours of the morning.

[Umtata Capital Radio in English at 1000 GMT on 20 March adds the following: "The defense force has denied there's any unusual and large-scale call-up of troops. A number of people have told Capital News that they've been notified by the South African Defense Force that they're on 24-hour standby. An official statement from the defense force says members of the permanent force, the citizen force, commandos, and national servicemen are presently deployed in unrest areas and in normal border protection duties. It says the planning for more troops deployment is done months in advance."]

AWB Leader Dismisses Terror Campaign Prediction

*MB2003121992 Johannesburg SAPA in English
1059 GMT 20 Mar 92*

[By Hilka Birns]

[Text] Johannesburg March 20 SAPA—The South African Police [SAP] has denied reports that the security forces have been put on full alert in anticipation of a violent rightwing response to this week's pro-reform landslide referendum result. Afrikaner Weerstandsbeweging [Afrikaner Resistance Movement—AWB] leader Eugene Terreblanche on Friday [20 March] also dismissed so-called experts' predictions of a rightwing terror campaign to boost morale after their crushing referendum defeat. "The AWB has never waged a campaign of terror. It is a resistance movement," he told SAPA in a telephone interview.

SAP national spokesman Capt Nina Barkhuizen denied as untrue a Johannesburg newspaper report which implied that police in some areas were on stand-by with their rest days cancelled in anticipation of rightwing violence. Policemen in Natal had their rest periods cancelled due to a crime prevention operation this week, but had since returned to their normal duties, she said.

The status of law and order in South Africa was apparently of concern to the AWB's Mr Terreblanche, who told SAPA his organisation was preparing to defend itself in a revolution which he predicts will follow the instalment of a majority government. "There will be chaos and the ANC [African National Congress] and the

communists will start it. The AWB is busy preparing itself to meet that revolution. We are not prepared to be murdered, burnt out or chased away." The high level of violence in the country was already tantamount to a situation of war, he said.

Political violence on commuter trains and black townships has claimed at least 300 lives in the past month. Human rights organisations and the ANC believe the carnage which coincided with the referendum run-up was being deliberately instigated to scare conservative whites into voting "no" to reform.

"We will defend ourselves to the same extent to which we are being threatened. It will be precisely when the government capitulates and chaos breaks out that the AWB will restore law and order in this country," said Mr Terreblanche.

CP Caucus Ends; Party at Political 'Crossroads'

*MB1903173892 Johannesburg South African Broadcasting Corporation Network in English
1600 GMT 19 Mar 92*

[Text] The Conservative Party's [CP] Parliamentary caucus has discussed the defeats suffered by the no vote in the referendum at a meeting in Cape Town. No member of the caucus was prepared to talk to the SABC [South African Broadcasting Corporation] afterwards, and at one stage the indirectly elected MP, Mr. Daan van der Merwe, told two members of the SABC's political news staff to leave the hallway in front of the CP offices in the Houses of Parliament.

Our political news staff reports that the CP has reached a crossroads after the referendum in which white South Africans voted overwhelmingly in favor of constitutional reform through a process of negotiation.

In the CP caucus there is now an awareness that a new approach is necessary if the party's ideal of self-determination is to be realized.

Our staff reports that for this reason it can be accepted that in-depth discussions will be held on a new strategy in the coming months. This approach is reflected in a short statement by the party's chief whip, Mr. Frank le Roux, saying that the caucus discussed the referendum at length with a view to a continuation of the party's striving for freedom and strategies to achieve this.

Boer Liberation Movement Rejects Referendum Result

*MB2003134492 Umtata Capital Radio in English
0900 GMT 20 Mar 92*

[Text] The Boere Vryheidsbeweging [Boer Liberation Movement], BBB, says it won't abide by the result of Tuesday's [17 March] referendum.

BBB General Secretary J. J. Groenewald says instead it will organize a national state freedom conference. Groenewald says the BBB won't accept the referendum result

because, as he puts it, alienated whites and misguided compatriots have decided about the right to self-determination of the Boer nation.

Groenewald has appealed to compatriots to be patient, and not to perpetrate acts of senseless violence.

Mandela: ANC Reexamining Nationalization Policy

*MB2003035792 Johannesburg SAPA in English
0834 GMT 20 Mar 92*

[Text] Cape Town March 20 SAPA—Nationalisation remained the official policy of the African National Congress [ANC], but this option was continuously being re-examined in view of hostility from local businessmen and foreign investors, ANC President Mr Nelson Mandela said on Friday.

Addressing businessmen and diplomats at a breakfast gathering, he again urged the business community to offer realistic alternatives to nationalisation to redress the "chasm" between rich and poor in South Africa.

"The ANC has no ideological attachment to nationalisation. And we have to be realistic. As long as nationalisation remains our official policy, it is not going to be possible to get the cooperation of big business and foreign investors."

The latest draft of the ANC's economic policy document omitted any reference to nationalisation, but "this does not mean that nationalisation is no longer our policy".

He had encountered implacable opposition to nationalisation from foreign businessmen at the World Economic Forum summit in Switzerland earlier this year.

"I could cut their hostility with a knife," he said.

However, it remained ANC policy to nationalise the mines, financial institutions and monopolies, while allowing the operation of market forces in all other sectors of the economy.

"Since 1942, the National Party has adopted exactly the same strategy. This is one thing we have learnt from them," he said to laughter from the audience.

He called on businessmen and diplomats to support the ANC's demand for the immediate installation of an interim government.

The ANC would call for the lifting of all remaining sanctions once an interim government was installed to oversee free and fair elections for a constituent assembly.

On the government's decision to drop the VAT [value added tax] zero-rating on basic foodstuffs on March 31, Mr Mandela said Mr Barend du Plessis was "one of the most insensitive finance ministers this country has ever

had". It was "inconceivable" that basic foodstuffs were taxed amid widespread poverty in South Africa.

On the government's insistence that the ANC's armed wing, Umkhonto we Sizwe [Spear of the Nation—MK], should be dismantled, the ANC president said: "The SADF [South African Defense Force] is a private army of the National Party. If they want us to dismantle MK, they must take the initiative and dismantle the SADF. The matter is as simple as that."

An ANC government would reform and democratize the civil service, police and defence force, but this would be done in a humane and non-discriminatory manner.

ANC Official on Redistribution of Farm Land

MB2003120192 Johannesburg SABC TV 1 Network
in English 1800 GMT 19 Mar 92

[Text] Unsuccessful farmers who have fallen into debt and depend on state subsidies should not expect special privileges under any future process of land reform. That is according to the ANC [African National Congress] which also stressed that the redistribution of farmland to those who were landless was something that couldn't be left to market forces alone.

[Begin recording] [Marius Bakkes] Speaking at the annual congress of the South African (?Feed) Association at Vereeniging today, the ANC's chief of the agricultural desk in its Department of Economic Planning, Mr. Derek Hanekom, said that if farmers were no longer cushioned from debt this would open the way to making land more freely available for redistribution.

[Hanekom] For a large group of farmers whose farming is less effective and more dependent on subsidies for profitability, changes might be very difficult to come to terms with. It is perhaps this group of farmers who are currently so vociferous in their protest against government. Many of these farmers are exposed to debts owed to the state and to commercial banks. Under land reform they should not anticipate any special privileges. Some people are going to go under, they have gone under, and there are policy issues which arise as a result of this. Do we take advantage of the opportunity and say let us now embark on a land reform process? Let us make use of this opportunity to give other people an opportunity.... [end recording]

Bop Minister on Nationalization, Economic Aid

MB1903175692 Johannesburg SAPA in English
1642 GMT 19 Mar 92

[Text] Bloemfontein March 19 SAPA—The introduction of nationalisation into southern Africa could not bear consideration in terms of the irreparable harm it would cause, Bophuthatswana's minister of economic and energy affairs, mines and planning, Mr Ephraim Keikelame, said in Bloemfontein on Thursday [19 March].

Speaking at the Bloemfontein Show, he said that while he was optimistic about the future of the region, it saddened and worried him when he heard or read of political organisations in South Africa who still harboured notions that nationalisation was the panacea for all economic problems.

"Heaven forbid that these people should ever see this nightmare realised. Who in his right mind, after the overwhelming evidence of its utter failure wherever it has been tried, could still entertain ideas of implementing such a policy in South Africa."

He firmly believed that massive economic aid being poured into Africa by the international community—particularly the United States—was misguided and in fact hindered rather than helped development in impoverished countries.

Indisputable proof of this was that between 1980 and 1988 a massive 83 million US dollars was poured into Africa. Despite this, growth in the recipient states had retrogressed and not one of these states had graduated from needing Western economic aid.

Mr Keikelame said the reasons for this were varied but corruption and incompetence had featured strongly.

Referring to Bophuthatswana's position on the reform process, he said the homeland was prepared to continue making a contribution to the resolution of problems facing the region, but stressed it would not be bound by any external decision which affected its very existence.

"Of paramount importance at this juncture, is that the uniqueness of Bophuthatswana must be acknowledged. Whatever happens from now on, this fact should seriously be taken into consideration," Mr Keikelame said.

Finance Minister du Plessis Presents Budget

MB1903160192 Johannesburg BUSINESS DAY
in English 19 Mar 92 pp 1, 2, 3, 6, 7, 8

["Economy of New SA [South Africa] Must Grow as Fast as Possible"; first six paragraphs BUSINESS DAY introduction]

[Text] Finance Minister Barend du Plessis shares with his colleagues around the world what he describes as the problem of reconciling unlimited wants with finite resources. In this year's R [rand] 100bn [billion] Budget, he has settled for a mildly stimulatory package heavily weighted towards socio-economic development.

His declared objective is to provide large-scale state expenditure on the services which directly or indirectly benefit all the people of SA [South Africa]. Du Plessis states that the only sustainable means of addressing poverty is to be found in the increase in the country's economic growth and job-creation ability. It is thus a Budget aimed at human development.

If it is a Budget of unrealised fears (VAT [Value Added Tax] did not go up, and there is no capital gains tax) it is also a Budget of unrealised hopes (there were no general reductions in personal or company tax rates, while the promised phasing out of other imposts has been delayed).

Tobacco and liquor duties are up, as is petrol, but pension and welfare payments increase.

There are also major changes in personal tax designed to relieve fiscal drag on those in lower income tax brackets. Du Plessis says this Budget starts a move towards a simpler tax rate structure with few but wider income bands. He also lightens the tax burden on mining companies, a major source of employment.

Du Plessis wants economic growth and financial stability, he wants to revive investor confidence, but says fiscal incentives cannot do it alone. He calls on the politicians to help secure political stability, after which the private sector will lead the economic revival. This Budget has been framed against the backdrop of the dramatic changes taking place in our society and the challenges they pose for policy.

[Begin Du Plessis] No man is an island. Today this is increasingly true of a country as well: modern technology has created the global village. That same technology rapidly captures, processes and interprets masses of data that at one time would have taken decades.

Taking economic realities into account, a growing consensus from the interpretation of history and experience is emerging, revolving around points of departure such as free markets, social responsibility and financial discipline.

The notion that choices and financial discipline.

The notion that choices can be made freely from a menu of viable economic philosophies, has now disappeared.

Likewise, a consensus is fast developing on certain universally proved constitutional principles. In short, free enterprise democracy is impatiently sweeping outworn ideologies aside.

It is reassuring to observe that in both the economic and constitutional debates in South Africa there is a steady and clear movement towards accepting the basic elements of this collective wisdom of mankind.

What is all the more striking is that the emerging consensus straddles parties, groups, organisations and individuals who at one time were at opposite ends of the politico-economic spectrum.

One of the building-blocks of a successful economy and society, certainly, is the bundle of rights fundamental to free enterprise.

These rights, such as private ownership and freedom of contract, should be entrenched in a Bill of Rights or even a constitution, so as to be beyond the tyranny of passing incumbents of government.

At a wider remove are those things that, while themselves hardly candidates for constitutional entrenchment, determine an economy's growth or stagnation: such as human capital formation, a trained labour force, effective means of industrial conflict-resolution that avoid the loss of output and incomes, earnings linked to productivity, a tax structure that attracts international investment, mobility of capital and, by no means least, sound fiscal policy at all levels of government.

Any move, anywhere, away from this fast-growing consensus is immediately communicated world-wide. If it is perceived as upsetting or threatening the balance of interlocking global interests it will be rejected and collective countervailing action taken.

With these momentous developments as background, then, and with their clear signal in mind, we may now refer to today's Budget in a broad context.

It has been constructed, and must also be interpreted, within the parameters of the universal economic problem of reconciling unlimited wants with finite resources. No society and no government can be exempt from the hard choices involved.

The market process generates and apportions wealth. In the nature of things this is an ongoing process—a ceaseless reshuffling of the cards as a society changes in the wake of such things as population growth, the emergence or reconstitution of economic classes or groups, perceived deprivation, urbanisation, technological advance, shifting aspirations, and a whole host of other factors.

In the long term the market process is good at rewarding economic agents according to their inputs. But by the same token it initially has little to offer those who can make only a small or no input of their own.

Moreover, the market does not deliver the so-called collective goods and services, which are an essential part of an economy.

To provide the collective and social services needed, a portion of all new wealth created must thus be channelled to the State in the form of taxation.

This reallocation of resources is not something alien or antagonistic to a free enterprise economy. It embodies what is surely a distinguishing characteristic of a civilised society: the ability and willingness to defer immediate gratification, to look beyond the present and to provide for the future. A society grounded in greed cannot long endure.

The proximate way in which these goals are pursued is via the national budget. Here, the nation's highest councils preside over both the broad conditions for the baking

of the economic cake and its slicing. In all forward-looking societies this process is now well entrenched.

Our own budgets have for many years undertaken this task; but, with changing times, we are now called upon to address it still more vigorously.

The democratic and demographic flood tides mean that resource allocation must be set on a new course that will be to the benefit of all.

Given, however, the need for a responsible fiscal stance, the budget cannot turn a blind eye to the limited means available to meet the manifold and growing demands on the state.

It is clear that the new South Africa will demand greater realism from us all: on the one hand, from those who in the past have most directly benefited from our traditional budgets, and on the other, from those who now in growing measure stand to become significant beneficiaries.

This will involve, on the one hand, a different mix of financing for public services, with more emphasis on the recipient's own contribution according to the standard and type of service desired, and, on the other, the acceptance that demands for public services must comply with affordability criteria.

The Book of Proverbs says that where there is no vision the people perish. But where there are no means of validating a vision, the vision itself can vanish.

Even visions need provisioning: they cannot be concretised unless the economic means of achieving them are made available, and are also continually enlarged. To that end, the economy of the new South Africa must grow as fast as possible—but, of course, on a sustainable basis.

Taking the long view unique to his species, homo sapiens will see to the optimal deployment of the resources the economy has produced. But the production of those resources is best entrusted to homo economicus, who is now the acknowledged world expert when it comes to the creation of income and wealth. Those who still question this, need look no further than Eastern Europe.

We were told, two thousand years ago, that the poor would always be with us—a truth to which even the enlightened Western world of today testifies, what with its intractable problems of unemployment, its under-classes and its poverty.

The problems stemming from modernisation—a high rate of population growth, lack of marketable skills, urban pressure, insufficient housing, deficient physical and social infrastructure, inadequate incomes and the like—are not a South African patent. Nor will they be met merely by a change of government or the advent of a new social order.

Sadly, there is no quick fix; the gap between wants and means will have to be tackled from both sides, not from

one alone. It is gratifying to record that these realities are finding increasing acceptance in our own country.

To say, in the midst of substantial material deprivation in our country, that the gap between wants and means must be tackled from both sides may at first glance appear grossly insensitive. But nothing will be served by blinding ourselves to facts or by proffering ideological solutions whose disarray is fresh in the world's memory. The season of social engineering is over!

Today's Budget is a further chapter in our attempt to come to grips with the stern realities of our economic situation, in a sincere and pragmatic spirit of doing the best we can for all sections of our society, but with special compassion for those in need. We believe that our budget mix will contribute to stability and equity in our often-volatile society.

But the Budget must also look to the future, where sustained growth beckons, steering away from fiscally-irresponsible actions that would inevitably place that future itself in jeopardy; and it must be geared to increasing the speed of the economic engine, not to slowing it down.

This is no easy balance to strike; but the interests of our country and our common society make it imperative and urgent that we try.

In this process of forging a new society, fiscal policy, and in particular the annual Budget, must increasingly reflect the theme enunciated in last year's Budget, namely "Equity through growth and stability." Today's Budget should be viewed in this context.

Budget Review

Before giving a brief review of the economic conditions and prospects, however, I would mention that this speech covers only the most important issues of the Budget and that, as in past years, a fuller background to the speech and the Budget proposals will be found in this year's Budget Review issued by the Department of Finance.

Economic Conditions and Prospects

The stagflation the South African economy is experiencing, and to which financial sanctions in particular are a contributing factor, has proved more intractable than expected. Last year's Budget speech envisaged a falling rate of inflation and the lower turning point in the economic cycle by the end of 1991 or early 1992.

In the previous two Budgets various fiscal incentives were announced to improve the climate for economic growth and stability. Inasmuch as these measures were aimed at continuing with changes in the structure of the economy so as to raise its longer-term growth and work creation potential, it was accepted that results would not become visible immediately.

It is, however, understandable that the lagging economic upturn should be causing both the public and the authorities a good deal of frustration.

Important changes have occurred in the economy in the past few years, which can impart another character to the coming upturn and moreover can ensure that the nature and results of economic activity go in greater measure to human development. These include:

- The development of mechanisms in the public and private sectors alike for large scale development financing, which implies a different investment pattern;
- The good export performance of the second half of the 1980's, which may indicate progress in the development of a stronger export sector in its own right;
- The rise of the small business sector;
- The great improvement in the efficiency of inventory management;
- The growing sophistication and adaptability characterising the development of the financial sector;
- the fact that sanctions have now practically disappeared;
- The recent resumption and growth of economic relationships with South Africa by a steadily growing number of countries.

Business and industrial development and the role of government in the economy will be strongly influenced by the consumption and investment needs of newly urbanised communities via market demand and a democratised political process.

Economic indicators show that the economic downturn now lasting for about three years and initially relatively moderate, unfortunately deepened in the fourth quarter of 1991, against the general expectation. In addition, the current drought conditions are exacerbating economic problems.

The negative economic growth of the past two years with its accompanying growing unemployment and declines in per capita income, underlines the need for a continuing and calculated breakout from the economic regression the country has undergone, even if this should demand sacrifice.

Apart from the export orientated activities, recessionary conditions are now being felt countrywide in all sectors of the economy. But there are also various signs confirming that, technically speaking, the economy is well equipped for an upswing.

The major positive factor is the improved balance of payments position, which lays a firm foundation for accommodating an economic recovery. This has involved great sacrifices and took place against the backdrop of crucial reforms in the political arena, which pose unique claims on the economy.

The fact that South Africa has been obliged to maintain a surplus on the current account of the balance of payments for seven consecutive years, reflects the degree to which the economy was forced to function below its growth potential so as to be able to meet foreign debt obligations.

It should once again be emphasized that these forced repayments since 1985 by no means arose from an inordinate total of foreign debt obligations but were prompted largely by international political motives.

The results of these repayments are reflected inter alia in the great drop in South Africa's foreign debt as a percentage of GDP [gross domestic product] from 42.9 percent on 31 December 1985 to only 19.1 percent on 31 December 1990, which is among the most favourable in comparable countries.

They also emerge from the considerable and sustained improvement in the country's gold and foreign exchange reserves, which now total nearly R [rand] 10 billion and cover about two months of imports. This puts the monetary authorities in a good position, in a following upswing, to pursue greater exchange rate and financial stability than was the case in most of the 1980's.

This ability is further strengthened by developments in the domestic financial sector, where the continued application of monetary discipline, with consequential positive real interest rates, led to comparatively low rates of increase in the money supply and bank credit.

The easing in money market conditions that began to assume greater dimensions in 1991, particularly on account of the increase in net foreign reserves and the decline in economic activity, led to a gradual softening of most money market interest rates. Great demands will thus be made on liquidity management in 1992 so as to support a stable economic upswing.

The liquidity position also reflects the poor domestic demand after all the components of gross domestic expenditure, excepting government consumption expenditure, showed real declines in 1991.

Despite the relatively strong export demand during the current recession, the average utilisation of production capacity in manufacturing fell from 85 percent in the second quarter of 1989 to a comparatively low figure of about 80 percent in the third quarter of 1991.

The continuing high inflation rate, which reached 16.2 percent in January this year, has been a great disappointment for both policymakers and the public.

Food prices, which in January this year were 26.2 percent higher than a year ago, and the reasons behind which are being investigated by a committee led by the Board of Trade and Industry, are a major contributory factor to high inflation.

Although it was expected that the application of VAT to certain foodstuffs would have a one-off impact on prices, the upward impact of VAT on the inflation rate as such is estimated by various experts at only about 1 percentage point. The fact that the slower increase in the Producer Price Index has not yet filtered through to the Consumer Price Index can inter alia be directly attributed to the rising food prices.

The economic downturn has been characterized by a significant reduction of the already low level of employment in the formal sector of the economy. The provisional 1991 census data indicate an unemployment rate of 19 percent, which leaves no doubt as to South Africa's most pressing economic problem.

In the nine quarters of the current downswing up to and including the second quarter of 1991, employment fell by a high 2.9 percent. In the third quarter of 1991 employment in the private non-agricultural sectors was virtually the same as way back in 1980.

The inability of the formal sector of the economy to provide sufficient jobs for the growing labor force reflected certain structural problems in the labor market and led to higher unemployment despite increasing activity in the informal sector.

One of the critical factors in raising the potential for economic growth and job creation is the quantum of saving and its productive utilisation. Gross domestic saving, which in the 1970's was on average 25.4 percent of GDP, fell in the 1980's to 24.7 percent and is estimated to have fallen as low as 18.8 percent in 1991.

In the recent past cyclical factors played a role in this regard; but the trend is in large measure also attributable to the fact that until now it has not been possible to eliminate the almost consistent dissaving by general government, in particular since the 1985 international debt standstill.

We are fully aware that to reach economic growth rates that will enable the quantum of unemployment to start falling it is necessary that the propensity and the utilisation of savings in South Africa be appreciably raised over time—not least on the part of government. The rectification of this structural problem will have to enjoy high priority in future.

The net capital outflow of the past seven years represented an important drainage of the country's savings resources. Access to foreign financing has however already begun to improve, as shown by the successful recent new public issues by the RSA [Republic of South Africa] Government and the Development Bank of the European financial markets.

Furthermore, financial sanctions are now virtually something of the past, especially since the announcement by the US Government that the Gramm Amendment will no longer be a political obstacle to access to IMF facilities.

Calculated at the current exchange rates, the total foreign debt repayable on December 31 1993 under the Third Interim Debt Agreement is estimated at between \$4.5bn and \$5bn, which for a country such as South Africa is an exceptionally modest obligation. Only about \$1.5bn of this is public sector debt, i.e. including the public corporations and the rest is private sector debt.

Final and more permanent arrangements are hoped to be concluded with foreign creditors prior to the expiry of the present agreement, which will make an important contribution to the easing of the constraint exerted on our economic growth potential by the availability of foreign capital.

As to the economic prospects for 1992, on the basis of the best current information on international economic conditions in particular it is generally expected that a moderate recovery will take place in the domestic economy showing greater momentum in the second half of the year. South Africa's major trading partners are expecting a moderate economic recovery in their countries only late in 1992 and the start of 1993. Exports should thus be an important factor in our economic upturn, which will also support the balance of payments. The latter should therefore not dampen economic growth this year, despite foreign debt commitments of some R3bn and drought-related maize imports.

Economic recovery will be further boosted as progress is made on the path to a new constitution and both residents and foreigners develop greater confidence in the stability dimension of the constitutional reform process in general.

In particular, the climate for investment, which is indispensable for a sustained economic upturn but which right now is being troubled by such things as weakened recessionary demand, strikes, stay-aways and violence, should improve as a result.

Several investment actions are planned for this year. A number of large capital projects have already been announced by the private sector and considerable funds will be channeled to the housing sector through the Independent Development Trust, the Development Bank and the SA [South African] Housing Trust.

It is expected that these actions will be supported in due course by a broader growth in fixed and inventory investment, particularly in 1993.

Certain fiscal incentives introduced during the past two years should also gradually begin to bear fruit. VAT input credits for capital and intermediate goods, the reduction over the past two years in the import surcharge, and the lower company tax rate of 48 percent, are examples.

Lower increases in power and transport tariffs and favourable financing conditions by the Industrial Development Corporation for the local processing of minerals are further positive factors.

As an additional encouragement for investment, the Government has decided to widen the parameters of the special accelerated deductions under Section 37(e) of the Income Tax Act. A statement on this will be issued later today by the Minister of Trade and Industry and for Economic Co-ordination. This can form a significant further incentive for private investment and exports, particularly in the mineral processing and beneficiation industry.

As to inflation, there are several factors that should contribute to a resumption of the long-term downward trend. They include indications that inflation in the major industrial countries is being brought under control, more stable international oil prices, relatively low growth rates in the money supply and the bank credit, the slower rise in the producer price index already mentioned, and signs of smaller wage and salary adjustments throughout the economy.

Taking all factors into account, a positive real economic growth rate of about 1 percent is expected in 1992. This is appreciably lower than everybody wishes.

To raise the figure in the future will require that all participants in political and economic activities and processes in this country continually adopt a responsible approach and purposely contribute to the recovery of confidence in the future of our country.

Broad Economic Policy Strategy

In its economic policy the Government has in the past two to three years focused increasingly on longer-term structural issues. The objective is to raise the growth and job creation capacity of the economy, which is necessary for the relief of poverty and for an ongoing improvement in both the quality of life and the pattern of income distribution.

Various so-called supply side measures, along with the higher priority awarded spending on socio-economic development actions and the elimination of backlogs, have fleshed out this strategy. The need for financial discipline aimed at macro-economic stability has, however, been recognised and stressed throughout.

As shown in more detail in the Budget Review, there has in several respects been progress with this broad economic strategy, on both monetary and fiscal policy fronts.

Moreover, crucial structural changes have been executed at micro level. All changes until now could unfortunately not be implemented equally far or equally fast, as for example the reduction in the income tax rates from individuals and companies.

The Government is nonetheless convinced—as has also been shown by economically successful countries—that its basic approach to economic restructuring is on the right track, even although the budgetary scope for progress this year is exceptionally limited, especially for tax reform.

It is in the country's interest that wide and growing consensus, in the same consensus seeking spirit that characterises Codesa [Convention for a Democratic South Africa], should be achieved with all speed and among as many interest groups as possible, so that the difficult path of economic restructuring can be followed to its end.

The emerging economic forum between the private sector and organised labour could well give this process a further boost. The Government is ready and eager to make a meaningful contribution where appropriate.

1991/92 Financial Year

Full particulars of the course of government expenditure during 1991/92 were supplied by the Minister of State Expenditure during the tabling of the Additional Appropriation. The 1991/92 financial year will thus be dealt with only briefly now, in particular to highlight the financing and macro-economic implications.

The revised estimate of total expenditure of R86.388bn for 1991/92 represents a nominal growth of 16.3 percent on 1990/91, or a real growth of about 1 percent. This includes expenditure financed from the sale of assets and strategic supplies, with no additional claim therefore on tax revenue or loans.

Total tax revenue for 1991/92 is estimated to be R1.639bn lower than the budgeted figure. This divergence was caused by both the cyclical effect of a longer-lasting recession and variations in the revenue collections following the switch from GST [General Sales Tax] to VAT.

The expected total revenue amounts to R73.227bn and is 9.6 percent higher than the 1990/91 figure.

It is pleasant to report today that the introduction of VAT has gone exceptionally smoothly, notwithstanding teething troubles corresponding with the experience in other countries. As VAT payers acquire greater familiarity with the system, its benefits are being experienced and acknowledged more widely.

The revised estimates of expenditure and revenue bring the budget deficit for 1991/92 to R13.161, or 4.3 percent of GDP. After accounting for the revised loan surplus for the 1990/91 financial year of R1.071bn, which was applied in part-financing of the 1991/92 budget, and for the R809m [million] obtained from the sale of assets and strategic oil supplies, the financing claim in the form of the net financing requirement during 1991/92 in the form of new loans in R11.281bn, or 3.7 percent of GDP.

This latter net borrowing requirement is considerably higher than the comparable 3 percent foreseen in the Budget. The new practice of reporting periodically on the

course of the Budget, and particularly the full information on the tax adjustments and loan financing implications announced at the time of the introduction of VAT, helped to keep any possible disruption in the financial markets to the minimum.

The higher borrowing requirement raised the costs of the public debt considerably. An extra R785m has been envisaged in the Additional Appropriation speech.

These higher costs are also connected with interest rates that remained high longer than originally envisaged, as well as the necessity at times, in support of monetary policy, to reduce excess liquidity in the economy by the sale of government paper.

The new DM [Deutsche mark] and ECU [European Currency Unit] loans amounting to about R1.5bn floated by the Government in the 1991/92 financial year exceeded budgeted foreign borrowing significantly. While South Africa has had to pay a premium on the prime overseas borrowing rate, this compares favourably with other countries that have to establish themselves in the European financial markets.

The optimal management of the public sector's foreign borrowing programme, the major points of departure of which are dealt with in the Budget Review, means that market considerations sometimes dictate that loans should be floated at a time other than when the financing need arises. The recent ECU loan is a case in point.

The net outcome of the course of state finance in 1991/92 is an estimated loan surplus of R3.093bn. It is proposed that this surplus be treated as follows.

Utilisation of Loan Surplus

It is proposed that R2bn of the 1991/92 loan surplus be transferred to the various government pension funds. The moneys will be reinvested with the Exchequer to supplement the contribution of the Public Investment Commissioners to the financing of the 1992/93 Budget.

It is further proposed that the balance, estimated at R1.093bn, be transferred to 1992/93 as an opening balance.

Reduction in the Shortfall on the Forward Cover Account

It is proposed that the full balance of R3.771bn in the Stabilisation Account be transferred to the Contingency Account for gold and foreign exchange.

The 1992/93 Budget

Revenue

On the basis of the existing tax rates, the printed Estimate of Revenue for 1992/93 provides for tax revenue of R84.818bn, excluding transfers from the NSPF [expansion unknown] and CEF [expansion unknown]. This is 15.8 percent higher than the revised estimate for 1991/92

Expenditure Proposals

In the course of this debate and the ensuing committee debates on individual votes the Minister of State Expenditure will provide more particulars on structural changes in the allocation pattern and expenditure control mechanisms. This present speech therefore confines itself to an overview and some supplementary expenditure proposals.

For some time now the Government has been engaged in channelling more resources in the direction of socio-economic development both to reduce backlogs and to strengthen the social security net.

This shift in resources must be carefully synchronised with tax reform so that the combined impact of all fiscal measures promotes economic growth and job creation on the one hand and the meaningful distribution of incomes and opportunities on the other.

By international standards government expenditure on social services in South Africa, and particularly on education and health, is already high, bearing the country's stage of development in mind. This means that spending priorities in respect of funds already flowing to these sectors of the Budget must continually be evaluated and adjusted.

The wider use of levies on the users of government services, particularly in those cases where a higher quality or another kind of service is desired than can be provided by the State on an equal and affordable basis for everyone, is useful in this regard, while the expenditure proposals to be tabled today reflect further progress in this direction.

The printed Estimate of Expenditure for 1992/93 to be tabled by the Minister of State Expenditure amounts to R96.544bn. With a view to still greater spending discipline it is proposed that R306m of the amount included in respect of VAT on purchases by government institutions be suspended.

As explained in the Budget Review, the Government regards the contingency reserve as having lost its utility, and it has therefore been jettisoned this year. The management plans for 1992/93 that state departments must submit to the Department of State Expenditure by April 1 1992 will be used to ensure that the budget allocations are not exceeded.

Supplementary Proposals

Above and beyond the printed budget proposals, further proposals involving R4.438bn are to be tabled.

Special capital and development projects

In 1991/92 R1.950bn was set aside for special projects of a capital and development nature, to be financed from the sale of assets and strategic oil supplies. R809m of this has already been spent. It is proposed that the remaining R1.1bn be made available in 1992/93, to be dealt with in the Additional Appropriation, as was done last year.

Social services**Education**

The aggregate sum of R19.049bn proposed for education in 1992/93, excluding the TBVC [Transkei, Bophuthatswana, Venda, Ciskei] states and before salary improvements, represents an increase of about 24 percent above the comparable 1991/92 appropriation.

Health

A sum of R9.928bn appears in the printed Estimate of Expenditure for health services (excluding the TBVC [Transkei, Bophuthatswana, Venda, Ciskei] states and salary improvements), which is a considerable increase of 22 percent on the 1991/92 financial year.

Several actions on the health front support greater efficiency in and a reallocation of health funds, including the planned new dispensation for medical funds, the strengthening of management powers at academic and general hospitals that are increasingly being run on a cost-centre basis, and the objective of devolving all primary health care services to local authorities, which should strengthen community involvement.

Housing and related infrastructure

The South African Housing Advisory Board, in consultation with interested parties, is engaged in finalising a national housing policy and strategy. The Board's recommendations are awaited with great interest.

The printed Estimate envisages an allocation of R1.285bn for housing, including related infrastructure provision. Together with the income accruing to the various housing funds from loan service and redemption, the amount available will be R1.653bn. It is estimated that a further sum of about R1.1bn will be spent on housing by the Development Bank, the SA Housing Trust, the Independent Development Trust and self-governing areas.

Viewed against the great backlogs in housing, it is proposed that a further sum of R500m be provided in this Budget, from the sale of additional strategic oil reserves, chiefly for housing and related infrastructure.

In total, R1.53bn will thus be available from the Exchequer for housing. If possible, a further R500m will be similarly provided in the 1993/94 financial year.

This should help maintain the momentum of various housing actions. Part of this year's R500m will be

available for the financing of housing by the administration of the House of Representatives and House of Delegates.

It is proposed that the application of these funds be accounted for in the Additional Appropriation and that a small task force led by the Department of Finance facilitate the consultation and allocation process so as to maximise the development and job creation impact.

The funds should preferably be accessible on the same basis for both Government and development institutions such as the Development Bank, the SA Housing Trust and the Independent Development Trust.

Social Assistance Allowances

The Government can fully empathise with the many people in our country who are unable, on account of circumstances beyond their control, to maintain even a very modest existence. The Government is therefore committed to review its assistance to these citizens periodically and, within the limited capacity of the country, to react to new claims and higher living costs, as well as seeking to remove the disparity in social assistance allowances as rapidly as possible.

In addition to the provision already made in the Printed Estimate for transfer payments to welfare organisations, it is proposed that a further R165m be voted to achieve full parity between the various population groups in respect of the transfer payments to welfare organisations for the provision of services such as old-age homes and children's homes.

R722m is already included in the Estimate of Expenditure for increases in the social assistance allowances for all population groups with effect from April 1 1992. It is proposed that a further sum of R1.010bn be voted in the Supplementary Estimate and that the total of R1.732bn be utilised as follows:

An increase of 10 percent in the social assistance allowances for all population groups, as from April 1 1992;

Elimination of the present differences in the application of the means test between the administration of the House of Representatives, which until now has been less favourable for them, and that of the House of Delegates; and

A further narrowing, by 40 percent, of the gap in allowances that still exists after the foregoing 10 percent increase.

These proposals make it possible to adjust monthly old-age assistance allowances as follows from 1 April 1992:

Whites from R314 to R345;
Coloureds and Asians from R273 to 318;
Blacks from R235 to 293.

The Mouton Committee, whose investigation into and report on a retirement provision system for South Africa

will be completed later this year, has yet not formally studied the question of alternative means of financing full social pension parity.

The Government has asked the committee to investigate the viability of various financing options that have surfaced in the course of the committee's activities and to report on them as quickly as possible.

The pension fund industry is one of our country's greatest assets. If any acceptable method can be proposed whereby additional revenue can be found without harming this industry or causing uncertainty on the part of individuals over the value of their retirement provision, it may be possible to take parity further in the course of this financial year still. If not, the Government now gives a fixed undertaking that full parity in social assistance allowances will in any event be proposed in the following Budget.

Nutrition Development Programme

In last year's Budget Address the ability of the authorities to tackle acute poverty and welfare was increased by R220m, destined for special targeted aid schemes. Full particulars on the progress made in the implementation of the Nutrition Development Programme, including the allocation of the approximately R110m already committed up to the March 1992, will be found in the Budget Review.

As an indication of the Government's continued commitment to nutrition development the printed Budget proposals for 1992/93 contain a further sum of R440m for this programme.

Protection Services

The sum of R9.705bn provided in the printed Estimate of Expenditure represents a relatively small increase of about 5.6 percent on the 1991/92 figure. This includes certain one-off costs resulting from structural adjustments in the South African Defense Force.

A total sum of R5.645bn is proposed for the Vote: Police—an increase of 21.9 percent above the 1991/92 Budget.

The high incidence of crime and violence unfortunately means that the reductions made in the last two financial years, particularly on the defence budget, have had to go largely to policing, correctional services and the administration of justice rather than to some of the major socio-economic bottlenecks that in fact contribute to these phenomena.

Economic Services

Apart from certain tax arrangements that encourage economic activity in the private sector, the programmes for export promotion and regional development are also components of the total fiscal package for the promotion of industrial development.

The proposed provision for export promotion reflects the phasing in of the new general export incentive scheme and the phasing out of the old one, which involved a series of promissory notes unredeemed as yet.

From 1995/96 the scheme will operate fully on a cash compensation basis. In the printed Estimate there is R2.029bn for this scheme, of which R872m is for the redemption of promissory notes.

The Government's revised Regional Industrial Development Programme is strongly focused on rewarding performance since April 1991, rather than compensating for cost and locational drawbacks. The total sum of R1.264bn included in the printed Estimate includes R764m in respect of the phasing out of the costs still arising under the old scheme. This element will disappear in due course.

Remuneration of public servants

The printed estimate includes R2.283bn on the Vote: Improvement of Conditions of Service. An improvement programme is presently being negotiated with staff and trade associations. When this process has been concluded, the results will be made known to interested parties.

Civil and military pensions

During last year's Budget address it was announced that a committee of experts had been appointed to advise the Government on the most suitable future structure and siting of the various government pension funds.

The Committee, under the able leadership of Mr. Laurie Korsten, has submitted its report to the Government; and, arising from this, negotiations with the employee groups involved are now taking place, after which particulars of the future dispensation will be announced. Meanwhile, the Government remains committed to a systematic but affordable move towards full actuarial funding.

A further essential step towards actuarial funding of the Pension Funds for Associated Institutions and for Temporary Employees is the increase in Employer contributions to the same rate as for the Government Service Pension Fund. It is therefore proposed that R578m be approved for this purpose in the supplementary estimate for 1992/93.

The pensions of all civil pensioners whose last working day was before July 1991 are to be raised from April 1 1992. As in the past it is proposed that these pensions be increased on a differential basis, namely 8 percent of the existing pension plus a half percentage point for each completed year after retirement as on March 31 1992, to a maximum of 12 percent. The minimum increase will be R30 per month.

As to military pensions, it has been decided to adopt a new basis comprising basic uniform pension based on average salaries in the entry grades of the public service

after two years' experience. To this will be added allowances for the loss of earning capacity, taking into account inter alia the member's salary growth and actual earnings at the time of injury. In addition to these increases, the military pensions will be raised by a further 5 percent.

The cost of the improved scheme is estimated at R17m for 1992/3, which is included in the printed Estimate. Implementation should take place by May 1992, but retrospective to April 1992.

The Government hereby records once again its sincere thanks and appreciation to those people who have unselfishly served their country and towards whom the State and their fellow citizens will always bear a particular responsibility.

Retrenchment costs

As a consequence of cutbacks on departmental votes, it is possible that personnel may have to be reduced in certain cases. For this purpose a special reserve for retrenchment costs is being created, which could run to R250m.

It is proposed that this sum be kept in reserve and its eventual utilization accounted for in the Additional Appropriation for 1992/93, unless it becomes possible to allocate this amount before the Tabling of the Supplementary Estimates later this year.

Drought disaster reserve

The precise nature and extent of the cost implications of the current drought are not easy to determine in advance, since many analyses and negotiations are still needed.

On the basis of early indications it is proposed that R1bn be set aside as a drought disaster reserve. Any part of this amount that cannot be allocated to the aid-channeling institutions at the time of finalising the Supplementary Appropriation, will be accounted for in the Additional Appropriation for 1992/93.

Adjusted expenditure total

In addition to the printed Estimate, the further expenditure proposals being made today can be summarised as follows: Social assistance, 1.010bn; increased employer's contributions to pension funds, R0.578bn; drought disaster reserve, R1.000bn; reserve for retrenchment costs, R0.250bn; special projects, including housing, financed out of NSPF/CEF, R1.600bn. Total R4.438bn.

Taken with the printed Estimate of R96.544bn and the VAT suspension, the total expenditure level for 1992/93 is thus R100.676bn, which represents a nominal increase of 16.5 percent, or a real growth of about 2 percent, on the revised expenditure level of R86.388bn for 1991/92.

If the expenditure to be financed via the NSPF and CEF (and which in effect is an alternative use of an existing

asset already paid for) is subtracted from the figures for both years, this Budget shows expenditure growth of 15.8 percent on 1991/92.

Approximately R6.5bn of the total expenditure is estimated to comprise capital expenditure, or 1.9 percent of GDP.

Tax Proposals

Customs and excise duties

When VAT was introduced an ad valorem excise duty of 21.2 percent was imposed on beer, spirits, tobacco, products and wine, in addition to the specific duties involved. This was to compensate for the loss of state revenue in consequence of the 13 percent GST having been replaced by a 10 percent VAT.

On account of distortions caused by the ad valorem duties in certain production chains, the Government has decided to accept urgent representations to replace the ad valorem duties by an increase in the specific duties. The latter should be adjusted regularly so as to keep the tax-price ratio more or less the same.

In the light of the price increases in recent months for all these products, the following increases are therefore proposed, which should not lead to increases of more than 1 to 2 percent in retail prices:

- Beer: 1.5c [cents] per 340 ml [milliliter] can or per so-called "dumpy", or 4.8c per litre;
- Spirits such as whisky, brandy and gin: about 1.5c per tot or approximately 37.7c per 750 ml bottle;
- Cigarette: 2c per 10 cigarette;
- Cigarette tobacco: 2c per 50 g;
- Pipe tobacco and cigars: 10c per kg;
- Fortified wine and sparkling wine: 10c per 750 ml bottle;
- Unfortified wine and other fermented drinks: 6c per 750 ml bottle;
- Sorghum beer: 1c per litre;
- Sorghum powder: 5c per kg;
- Cool drinks and mineral water: 2c per litre or about 0.7 per 340 ml can.

The increased duties are estimated to generate an additional R295m in 1992/93.

These adjustments take immediate effect. In terms of Section 58 (1) of the Customs and Excise Act, 1964 I now lay the formal tax proposals involving customs and excise duties upon the Table for the consideration of Parliament.

Import surcharge

The Government made good progress in 1990/91 and 1991/92 in phasing out the import surcharge, and remains committed to its complete removal. The current extremely tight fiscal position, however, is unfortunately such as to preclude any further advance this year.

Fuel levy

In comparison with other countries, South Africa until comparatively recently made little use of fuel as a source of state revenue. A 1992/93. [sentence as published] These increases will take effect on Saturday, 21 March 1992 at 00:01. The Minister of Mineral and Energy Affairs will issue a comprehensive media statement on fuel matters this afternoon.

Transfer duty

When VAT was introduced the acquisition of fixed property subject to VAT was simultaneously exempted from transfer duty, which is now payable only if such property is acquired from persons not registered as traders for VAT purposes.

It is some time since the rates of transfer duty were last adjusted. There is also now a large gap between VAT and transfer duty rates, which means that similar transactions in the property market are taxed at different rates. Certain adjustments in transfer duty are therefore proposed, to come into force on March 19 1992.

To assist home buyers in the lower income groups it is proposed that the exemption ceiling for transfer duty be raised from R30,000 to R50,000 in respect of the acquisition of property with a dwelling thereon or a flat under sectional title, and from R12,000 to R20,000 in the case of the acquisition of unimproved land with a view to the erection of a dwelling.

In the case of property above R50,00 it is further proposed that the transfer duty payable by individuals be changed to 1 percent on the first R50,000 (instead of the present R30,000) and 5 percent on the balance, instead of the present 3 percent, while the rate for companies be raised from 5 to 7 percent.

The proposals should raise additional revenue of R160m in 1992/93.

Stamp duty on debits

In accordance with the practice of periodical adjustment to specific rates of duty, it is proposed that the stamp duty on debits in respect of credit card, cheque, transmission and further recourse to this revenue source is also in line with the goal of a better balance between direct and indirect taxation.

It is therefore proposed that the levy on petrol be raised by 8c and that on diesel by 6c per litre. At the same time it is recommended, in the light of the exceptionally severe conditions in agriculture, that the diesel rebate for farmers be increased by 2c per litre until such time as conditions are more propitious for the resumption of the planned phasing out of this rebate.

The net effect of the increased petrol and diesel levies and the diesel rebate is estimated at an additional revenue of R939m in telebank accounts be raised from

10 to 15c per debit as from May 1 1992. This should generate additional revenue of R35m in 1992/93.

Income Tax

Business trusts

The Government has for some time now accepted that business trusts should be treated as companies for income tax purposes. More particulars in this regard will be given later this year in the Income Tax Amendment Bill. Additional revenue could possibly be R5m.

Mining

Arising from the recommendations of the Technical Committee on Mining Taxation it is proposed that the fourth step be taken in the phasing out of the surcharge on non-gold mining companies and that the formula rate for gold mines be adjusted downwards to bring it more into line with the present company tax rate.

These proposals will mean an estimated total tax forfeiture of R53m in 1992/93, which should strengthen the position of the mining industry as an important source of employment.

Income tax on individuals

Married and unmarried persons

Over the past two years tax relief was focused on the neutralisation in whole or in part of fiscal drag and, where possible, even a real reduction of the direct tax burden on individuals. The outcome was a lowering of the top marginal rate of income tax to the present 43 percent. In practice the reduction in tax rates and rebates meant that persons in the higher income brackets benefited to a greater degree than those in other brackets, particularly the middle income group.

In view of the limited funds available this year it has been decided to target the available relief on those who have been relatively most exposed to fiscal drag. At the same time and as part of the long-term tax reform programme, a move is being made towards a simpler tax rate structure with fewer and wider income bands. This also requires some minor adjustments to the tax rebates.

The upshot of these proposals may be illustrated as follows. A married person with two children and a taxable annual income of R35,000 whose income rises by 10 percent from 1991/92 to 1992/93 will find that the average tax rate under the old scales would have risen from 15.1 percent to 16.7 percent, whereas under the proposed scale it drops to 14.9 percent, so that the tax payable in fact reduces by R655 in 1992/93.

These proposals are estimated to involve a forfeiture of tax of R1.225bn for 1992/93.

Married women

When the phasing in of separate taxation for married women was completed last year it was announced that their investment income too would be taxed separately.

As previously announced, the intention is gradually to bring the tax scales for married women in line with those for unmarried persons. This is being proceeded with this year, and it is proposed that the scale for married women with a taxable income up to and including R40,000 be brought in line with that for unmarried persons.

In the process, however, the top marginal rate for married women must be raised from 38 percent to 40 percent to bring it closer to that for unmarried persons. The relevant primary rebate, furthermore, will be raised from R800 to R900. All married women with a taxable income of less than R80,500 will benefit from these changes in the 1992/93 financial year.

The result is that a married women with a taxable income of, say, R30,000 per year, whose income rises by 10 percent from 1991/92 to 1992/93, and whose average tax rate under the old scales would have risen from 21.9 percent to 23 percent, will find that her average tax rate actually falls, to 21.3 percent. In consequence her tax in 1992/93 will be R570 less than would otherwise have been the case.

The phasing-in of the Margo Commission's proposals on the separate taxation of married women has in the past few years considerably improved the tax position of the working married woman, to the great benefit of two-bread-winner households.

The forfeiture in respect of this proposal amounts to R195m for 1992/93.

Additional rebate for those above 65

The Government is fully aware of the deteriorating income position of many elderly people who with great sacrifice made their own provision for retirement. As a relief measure generous increases in the additional rebate in respect of persons above the age of 65 have been given, particularly as announced in the 1990 Budget speech.

This year it is proposed that the rebate be raised from R2,100 to R2,500. In consequence the tax thresholds rise as follows:—Married persons: from R22,174 to R24,881;—Unmarried persons: from R19,500 to R21,429;—Married women: from R15,084 to R17,292.

It should also be remembered that each spouse is entitled to the R2,000 exemption in respect of interest income.

This proposal means for example that a married couple above 65, with each spouse having a separate taxable income above these thresholds, and who furthermore enjoy the maximum interest concession, will in future

become liable for tax only when their joint taxable income exceeds R46,173, as against the present R41,258.

The cost to the fiscus will be R30m for 1992/93.

Summary of revenue

The upshot of all these proposals is a net estimated tax forfeiture of R69m. This brings the total estimated revenue for 1992/93 to R84.749bn—R73.526bn from Inland Revenue and R11.223bn from Customs and Excise.

The Government would greatly have wished to make further progress in 1992/93 with various other tax reforms to which it is committed, such as the phasing out of the import surcharge, the further reduction of the top marginal rate of income tax on individuals and of the company tax rate, as well as the further phasing out of stamp duties and marketable securities tax. The tight economic and fiscal conditions mean, however, that these matters must stand over for the time being.

Financing of the budget deficit

After allowing for the supplementary proposals the total expenditure in the 1992/93 budget comes to R100.676bn. After subtracting the revised current revenue total, the estimated budget deficit is R15.927bn, or 4.5 percent of GDP. Of this deficit, R1.6bn will be financed from funds released via the reduction in the country's need for strategic stockpiling, and R1.093bn will be financed from the 1991/92 surplus after borrowing. The balance of R13.234bn, which represents the net claims on the financial markets, amounts to 3.8 percent of GDP—almost the same as the revised ratio for 1991/92.

In the 1992/93 financial year loan redemptions will be about R5.261bn, which will bring the gross borrowing requirement to R18.495bn. It is planned to finance this chiefly from domestic stock sales of about R18bn, including expected new investments of R10bn by the Public Investment Commissioners. Foreign financing is presently estimated at about R500m.

Acknowledgements

Before the proposed Budget is placed in perspective certain expressions of thanks are in order.

To the honourable State President I wish to express a special word of thanks for his inspiring political leadership and his support in difficult fiscal decisions, and the high priority the Government gives, under his guidance, to budget priorities and control.

I also express sincere thanks to Cabinet colleagues and their departments who, in the midst of reduced expenditures, had to carry through structural changes.

I should also like to place on record my personal and sincere appreciation towards my colleagues Minister

Amie Venter, as well as the Director-General of State Expenditure Mr Henri Kluever and his staff for their co-operation in connection with the establishment of State Expenditure as a separate Ministry and Department as well as the compilation of this Budget.

Their presentations to Cabinet contributed to the most intensive consideration of the Budget in years. Although the formalities took much longer than originally expected, the split of duties nonetheless ran smoothly from the very start.

I should also like to single out Deputy Ministers Japie van Wyk and Theo Alant and thank them for the enthusiasm and thoroughness with which they helped to carry the burden of work in the past year—a burden made heavier recently by the political negotiation process.

I must also thank the Director-General Croeser, and the staff of the Department of Finance for their support and expert inputs in the crafting of an exceptionally difficult Budget. Also for the integrity and devotion to duty of the tax personnel in their sensitive and difficult task.

The Government expresses its sincere thanks and appreciation to the Commissioner for Inland Revenue, Mr Hannes Hattingh, and the personnel led by Mr Trevor van Heerden, as well as the advisers, who under great pressure ably coped with the implementation of VAT. We also have great appreciation for all those in the broad economic arena who contributed to the successful changeover from GST.

Prof Louise Tager and her VATWATCH group are also deserving of thanks—their price monitoring before, during and after the implementation of VAT, demanded much work and was of great value in complementing the several other information, training and publicity campaigns.

The high level of advice and good judgement of our advisers Drs Japie Jacobs Daantjie Franzsen and J.C. du Plessis was of great value throughout the year and I thank them accordingly. Dr Franzsen has now formally laid down the yoke as Special Ministerial Adviser, and I would convey special thanks to him for this highly valued and expert input over many years.

I furthermore express thanks and appreciation to Dr Chris Stals, the Governor of the Reserve Bank, and his Deputy Governors and personnel. Not only is monetary policy being implemented with great ability and consistency, but a valuable and reliable economic and financial information service is being provided for the whole country.

I would also thank Prof Michael Katz and the members of the Tax Advisory Committee, who over the past year continued to assist the fiscal authorities with extremely valuable inputs.

I also wish to record my high appreciation of the work of the Development Bank and the Independent Development Trust, which in difficult circumstances are doing splendid pioneering work on the development front.

A word of thanks is also due to the Board, management and personnel of the Land Bank for the efficient and sympathetic way in which they perform their task during this particularly trying times in agriculture.

Our best wishes go to the Financial Services Board, which is now standing on its own feet under the leadership of Mr Justice Melamet and Mr Piet Badenhorst, and is playing an important role in our financial sector.

Coupled with the many expressions of respect from the Government's side at the time of Dr Simon Brand's death, it is fitting that this Budget Address too should pay homage to his giant contribution to the development of our country, for which we are profoundly grateful. Our hearts go out to the family of this gifted and winsome friend.

Budget in Perspective

The expenditure side of this Budget once again provides for large scale expenditure on the most important state services, which directly or indirectly benefit all the people of this country. In the case of key services such as education, health and housing significantly higher sums are being spent than last year.

This has been achieved without raising the total tax burden materially. A shift, though, has been made in that burden through an increase in specific indirect taxes such as fuel and non-essential excisable products. In the process, it was possible to maintain VAT at 10 percent.

Although the income tax burden on individuals increases, it was nonetheless possible to neutralise in large measure fiscal drag for individuals in the lower and middle income groups especially. In the present circumstances this balance in the Budget vis-a-vis both expenditure and taxation should be well received on a wide front.

Expenditure that will directly help relieve the great need in the country includes the following:

- The increase in all old age assistance allowances and the further reduction of the remaining disparities, including the elimination of all disparities in transfer payments to welfare organisations for the operation of services such as old age homes and children's homes;
- The allocation of R440m to nutrition development;
- Relief for the impact of the drought;
- A considerable degree of elimination of fiscal drag in respect of those individuals who are most severely affected;
- Raising of the tax threshold for the elderly; and

—The relief to the housing need.

The only sustainable means of addressing poverty is to be found in the increase in the country's economic growth and job creation ability.

Coupled with various incentives introduced on a wide front over the past two years, this Budget—notwithstanding the little fiscal scope available—gives further significant support to private economic activity.

The proposed real expenditure growth of about 2 percent in 1992/93, which by virtue of one-off elements such as the drought disaster reserve should not be seen as generally involving permanently higher growth or a higher expenditure basis in future, will in fact have a moderately stimulatory impact on the economy.

Although a relatively high net borrowing requirement is being budgeted for, this stems in part from cyclical factors, and the state's borrowing programme will not put upward pressure on interest rates.

To the extent that the expected economic upturn acquires greater momentum, in 1993 particularly, the Government's spending and loan financing will have to play a less important role, so as to leave room for private expenditure and investment and also to enable exports to adopt a higher profile.

By that time various fiscal incentive measures taken during the past two years should start to yield dividends in the shape of sustainable growth. Other measures directly or indirectly promotive of production activity include:

- The support for private investment, particularly in mineral processing and beneficiation;
- The further phasing-out of the income tax surcharge on non-gold mines and the reduction of the formula rate for gold mines; and
- The promotion of exports and regional industrial development.

Education and health, as well as the removal of other socio-economic development backlogs, continue to enjoy high priority. Not only is more than two fifths of the Budget already going to social services, but comprehensive steps are now being taken to channel an increasing portion of these funds to higher priority fields, such as primary education.

The Government in this way reaffirms its commitment to human capital formation, without which the economy has no long-term prospects.

Although the benefits of most socio-economic development expenditure only emerge more clearly for the communities involved over the longer term, the provision of infrastructure in particular nonetheless has short-term spin-offs for job creation.

The latter will be further promoted by various public sector projects to be financed from the sale of oil and other strategic reserves. This will reinforce the actions being taken by various development institutions, which are already contributing to job creation.

This Budget has had to seek a balance between the meeting of increasing expectations that are growing in intensity and the country's limited financial resources. This reflects also the enormous claims that will be made on economic policy to ensure economic growth with financial stability while simultaneously grappling with socio-economic backlogs that for their part threaten social stability.

The Government is convinced that the path of economic restructuring, coupled with the fiscal strategy with which good progress has been made over the past two years, is the right course. As the following upturn provides the scope, further progress will become possible.

But to revive investment confidence among South Africans and foreigners alike requires more than simply fiscal incentive measures, the reduction of socio-economic development backlogs or an expansion of police and other protection services: It demands also the kind of investment in political stability that more and more interest groups in South Africa are working for and which will also produce greater clarity on the future role of Government in the economy.

The private sector, including overseas investors, will then take the lead and play its rightful role in the economic revival and up-building of South Africa.

Development Bank Says Budget 'Encouraging'

*MB1903100092 Johannesburg SAPA in English
2200 GMT 18 Mar 92*

[Text] Johannesburg March 18 SAPA—The Development Bank of South Africa on Wednesday welcomed the greater emphasis which this year's budget placed on the alleviation of socio-economic and social welfare constraints on poverty in South Africa.

Reacting to Finance Minister Barend du Plessis's budget presented to Parliament on Wednesday afternoon the bank said what was especially encouraging was the aspect of parity (in pensions between white and other races) introduced in this budget.

Acting chief executive of the bank Mr Andre la Grange said this provided an ethical basis for "a new growth path in the economy".

"The parity in pensions and additional social expenditure, the bank said, could have significant multiplier and linkage effects to stimulate business activity—provided it was to nullified by unsubstantiated food price increases.

A further stimulus to the economy, the bank said, would be provided through the allocation of significant additional funds to the provision of housing.

VAT Coordinating Committee Condemns Budget

*MB1903183092 Umtata Capital Radio in English
1500 GMT 19 Mar 92*

[Text] The Coordinating Committee on VAT [Value Added Tax] has condemned the 1992 budget and called for massive consumer resistance.

The VAT Coordinating Committee [VCC] says by extending taxation to basic food stuffs which were tax free, and increasing the petrol price, the budget has failed to improve the provisions for poverty relief. The VCC has labled the budget mean spirited and misleading. The committee says it's mobilizing its very wide constituency to resist the budget.

IFP's Buthelezi Issues Statement on Budget

*MB1803201292 Johannesburg SAPA in English
1931 GMT 18 Mar 92*

[SAPA PR Wire Service: "Press Statement: An IFP (Inkatha Freedom Party Assessment of the 1992/93 Budget" issued by Mangosuthu Buthelezi, chief minister of kwaZulu and president of the Inkatha Freedom Party, in Ulundi on 18 March]

[Text] It is extremely difficult to make balanced assessments of the budget presented by the minister of finance today. His budgetary objectives have to be assessed against the dynamic circumstances which negotiations are creating.

There must now be a new South Africa and everything we do now must be in anticipation of meeting the requirements of making the new South Africa a reality.

The IFP [Inkatha Freedom Party] welcomes the planned additional expenditure on health, education and housing. The 24 per cent increase in funds available for education and the 22 per cent increase in funds for health are welcomed.

The white taxpayers, who are by the very nature of the skewed distribution of income in South Africa, are the main contributors to state coffers. They only receive 27 cents in the rand back on what they pay in taxes in terms of social benefits such as education, health, housing and social welfare services.

In the United States the equivalent figure is 65 per cent, in Britain it is 71 per cent and in Germany it is 80 per cent.

This indicates that to improve black education, housing and health services the government will have to do more than cut down on what whites are getting in return for the taxes they pay. By international standards amongst industrialised countries, the white tax burden at 32 per cent of income is very high. If you cannot give whites less

for what they are paying in taxes, and if you cannot increase white taxation, then we are entitled to ask how you can fund plans to bring about parity between black and white and where the money is going to come from to eliminate the backlogs in essential social and health services for blacks.

Quite clearly the disparity in black/white wealth needs to be attended to as a matter of great national urgency. There cannot be a simple redistribution of wealth by taking from the haves and giving to the have-nots. The present budgetary proposals are not visionary enough. We need to increase the size of the South African cake so that there is more scope to alter the size of the black and white slices of it.

There is not much in the budget which promises to make a real contribution to the reduction of the present high level of under-employment in the economy. It appears that the budget is drawn up on the basis that the minister of finance is undertaking a holding operation until a remarkable economic upturn produces a lot more money for state expenditure.

The International Monetary Fund is of the opinion that foreign investment and the inflow of technology on which economic development in South Africa depends, will remain unsatisfactory for the rest of the decade. The IMF anticipates that the average capital inflow will only be equal to 1.75 per cent of gross domestic product in the years to come and may only rise to 2 per cent by the year 2000. When one notes that the equivalent figure for the 1980's was 3 per cent then there is a great deal to be concerned about.

The excess of government spending over income has been allowed to rise to 4 per cent of the gross domestic product. Overexpenditure must be brought down to less than 1 per cent for sound economic development.

The minister of finance cannot dramatically increase the taxation of the haves in this country. There will not be a vast flow of new money to government coffers from investment and economic development. We will not be able to fund economic development out of private and government savings.

This presents a dismal picture. One is left dissatisfied with the budget proposals and their motivation by Mr. Plessis.

Quite clearly if wage increases for the black underprivileged are going to be given at the expense of economic growth, sooner or later there will be a crisis situation which will be totally unmanageable.

The minister of finance needs now to budget for social and political change and we need greater clarity on what budgetary objectives should be set in order to budget for the new South Africa.

Says Violence Hindering Negotiations

MB2003163992 Johannesburg SAPA in English
1515 GMT 20 Mar 92

[Text] Mandini, Northern Natal, March 20 SAPA—KwaZulu leader and Inkatha Freedom Party (IFP) President Chief Mangosuthu Buthelezi on Friday [20 March] said violence had become an awesome stumbling block to the negotiation process and the achievement of a new South Africa, SABC [South African Broadcasting Corporation] radio news reports.

Speaking at the official opening of the R [rand] 18-million Sundumbili Plaza at Mandini on the Natal north coast, Chief Buthelezi said relatively peaceful areas were being disrupted by imported violence.

It was tragic, he added, that while people like himself were trying to upgrade communities, others were committed to smashing down everything he did.

Chief Buthelezi said he believed that despite severe fiscal limitations, the KwaZulu government had done more for its people than any other equivalent authority in the country.

The Plaza is a tripartite business venture by the KwaZulu Finance and Investment Corporation, the private sector and about 1,500 black shareholders.

Self-Governing States Dissatisfied With Budget

MB1903182692 Johannesburg South African Broadcasting Corporation Network in English
1400 GMT 19 Mar 92

[Text] The finance ministers of the six self-governing territories have expressed dissatisfaction with the amount of money allocated to them in yesterday's budget for the 1992/93 financial year.

In a statement issued after a conference of ministers of finance of Lebowa, Gazankulu, QwaQwa, KwaZulu, KwaNdebele, and KaNgwane, and governments ministers in Cape Town, they said that despite the substantial increase in the budgetary allocation, they were concerned about the ever-increasing need for services rendered by them.

The conference decided that the full impact of the budget on territories would be discussed at bilateral meetings between the territories and the central governments.

ANC, Allies Threaten To Strike Over Budget

MB1803201592 Johannesburg SAPA in English
1944 GMT 18 Mar 92

[Excerpt] Johannesburg Mar 18 SAPA—The African National Congress (ANC) and its allies on Wednesday [18 March] threatened a general strike to force concessions "sidelined" in the budget presented by Finance Minister Barend du Plessis. The ANC, SA [South

African] Communist Party and the giant union federation COSATU [Congress of South African Trade Unions] said the budget had not addressed the alliance's demands which included scrapping VAT [value-added tax] on food, reduction of food prices and the equalisation of pensions.

In other reaction, exporters, industrialists and politicians mauled the budget but greeted favourably the "marginal" tax relief and increased social spending. The SA Chamber of Business [Sacob] said in a statement Mr du Plessis had little option but to follow a conservative approach in drawing up this year's budget against the backdrop of continued tight economic conditions aggravated by the drought. "While the impact of the performance of the economy still dictates prudence with respect to tax cuts to stimulate the economy, Sacob believes that this should change later this year as a more positive trend unfolds," a statement said. [passage omitted]

Industrial Groups, Others React to Budget

MB1803194292 Johannesburg SAPA in English
1831 GMT 18 Mar 92

[Text] Johannesburg Mar 18 SAPA—Exporters, industrialists and political parties on Wednesday [18 March] denounced Finance Minister Barend du Plessis' budget as short-sighted and unimaginative but welcomed the "marginal" tax relief and increased social spending.

Chamber of Mines President Mr Naas Steenkamp expressed support for the budget's attempts to strike a balance between increasing expectations and limited resources and said the provisions for social upliftment were sorely needed. As fiscal policy remained expansionary, the burden of containing inflation would continue to fall on monetary policy. This, he said, would keep interest rates at higher levels than might otherwise be the case.

Mr Steenkamp welcomed the lowering of the surcharge on non-gold mining companies and the downward adjustment in the tax formula for gold mines. But he said increased fuel levies would have an adverse impact on the mining industry, which was struggling to contain costs.

The South African Foreign Trade Organisation [SAFTO] said, from an export point of view, the budget was unsatisfactory and unimaginative "at a pivotal stage of South Africa's re-entry into the global market-place". "The imaginative political initiatives successfully launched by the state president have not been echoed by necessary new economic policies in the budget", said Mr W B Holtes, SAFTO chief executive. "The laudable commitment to a greater social budget will require a much higher growth rate than the unacceptably low one per cent projected for this year by Minister du Plessis," he added.

"Unfortunately, during the year ahead the total amount of export incentives will be halved with the elimination of the export marketing tax allowances. The accelerated depreciation allowance will hopefully make some contribution at the beneficiated product level. The failure to cut import surcharges bodes ill for any early moves towards putting the country on a more competitive international level."

In its reaction, the Steel, and Engineering Industries Federation of South Africa (SEIFSA), said the budget did not offer much assistance to the industrial sector. SEIFSA Executive Director Brian Angus said while there was some marginal tax relief for lower paid individuals and minor concessions to the mining industry, it offered little real increase in assistance to export promotion and incentives. The budget would do little to promote industrial growth, he said.

National Productivity Institute Executive Director Dr Jan Visser said the budget was not a growth budget, although it gave some relief to lower and middle income groups. The move from direct income tax to indirect excise duties should, in principle, benefit productivity. Dr Visser said the higher expenditure on housing, health and education could in the longer term benefit productivity improvement.

In other reaction, the Democratic Party denounced it and the African National Congress said it should be the last "apartheid budget". DP spokesman Ken Andrew said the budget would saddle future generations with debts flowing from the "profligacy and inefficient economic mismanagement" of the present government. He charged the government had lost effective control of state expenditure and that deficit borrowing was rising steadily while personal income tax had shot up by 54 per cent in two years. But he said positive aspects in the 1992/93 budget included increased expenditure on education, housing and drought relief.

In its reaction, the African National Congress said the budget should be the last "apartheid budget". "Not surprisingly, it is inadequate in addressing the basic structural problems facing our society," a statement said. "We feel very strongly that the 1992 budget should be the last apartheid budget and that full participation must go into the drafting of the next budget."

The SA [South African] Agricultural Union welcomed the R [rand] 1 billion announced for supplementary drought assistance, but warned more funds would be needed to effectively rehabilitate agriculture.

The Consumer Council said the budget was fair given the government's limited resources and the state of the economy. Mr Jan Cronje, Consumer Council executive director, however condemned the ripple effect the fuel price increases would have on the economy.

Concern over the fuel price hikes was also voiced by the Automobile Association, the SA National Consumer Union, the Democratic Party and the Solidarity Party.

The SA National Consumer Union also regretted the termination of the temporary VAT relief on certain basic foodstuffs.

Anglo American Corporation Welcomes Budget

*MB1903094792 Johannesburg SAPA in English
2110 GMT 18 Mar 92*

[SAPA PR Wire Service issued by Anglo American Corporation: "Budget Statement"]

[Text] Given the absence of economic growth and its inevitable implications for the tax base, the minister was faced with limited scope to make major positive adjustments to tax rates for companies or individuals. Within these bounds, we welcome the fact that those tax concessions that have been possible, have been focussed on the lower income groups. Simultaneously, the major expenditure increases have been concentrated on socio-economic priorities affecting the poor. In particular, a further significant step has been taken towards the achievement of parity in pensions for all racial groups. Significant increases in health, housing and education have also been confirmed. In these respects, the budget has a distinctly re-distributive bias which is appropriate in our circumstances. Though regrettable that it should be necessary, the increased police expenditure is to be welcomed in the interests of civil order.

Although the budget may well be received as being essentially neutral by the investment community, when coupled with the outstanding referendum results the overall message to investors is distinctly positive.

Note: This statement is also attributable to De Beers Consolidated Mines Limited.

COSATU Statement Calls Budget 'Misleading'

*MB1903092992 Johannesburg SAPA in English
0829 GMT 19 Mar 92*

[SAPA PR Wire Service issued by the Congress of South African Trade Unions: "Alliance Statement on Initial Responses to the 1992 Budget"]

[Text] The minister of finance has set out today to mislead the people of South Africa. His speech to Parliament referred often to the need for discussion and consensus—but the minister has repeatedly refused to discuss any part of his budget or his social programs with us as representatives of the vast majority of South Africans. He said that there is growing consensus on how to handle the "gap between wants and means" but he won't discuss it. He talked about the "direction of investment towards newly urbanised people being determined by the market and by democratic political processes" but he more than any other minister has refused to participate in any democratic process of discussion of socio-economic issues.

He has initiated investigations into food prices and into the effects of VAT [value added tax] but he refused to discuss either of these issues with the co-ordinating committee on VAT.

The governments record on financial and economic planning is appalling. Every single thing they said about the introduction of VAT was wrong. Their lack of control of expenditure against wastage, corruption and inefficiency is notorious. The government cannot make workable programs on its own. Mr. Du Plessis says that a SA [South African] housing advisory board is finalising a national housing policy and strategy. At the same time the government has pulled out of the National Housing Forum. We will very strongly oppose this housing policy and it will be unworkable.

The minister has allocated amounts to social services, housing and education, but he has not specified how the money will be used. On his past record we believe that these allocations will not be spent effectively or in a way which removes discrimination or addresses critical issues. We are afraid that in absence of negotiations these programs will only feed the bureaucracy.

The budget is mean and misleading. The allocation to the SADF [South African Defense Force] is as large as the health budget. We call for a drastic cut: Who are we at war with? The budget does nothing to relieve more than two million people who are starving in this country. It does not control or lower food prices. In fact food prices will increase because the minister has removed the zero rating of basic foods in the face of massive opposition from the people of South Africa. He has made this worse by increasing the petrol price, which will increase all other prices and aggravate poverty. He has done nothing to reduce the cost of medicines and medical services. The completely inadequate amounts for nutrition and poverty relief will do nothing for the 30 per cent of our children who suffer from malnutrition or the 16 million people who live below the breadline. The absence of an effective drought relief program means that the plight of farm workers and rural people will get worse and worse. The minister has not even equalised pensions, a simple but extremely effective measure to relieve poverty and remove racism.

In total, the budget will do little for social and economic progress.

Mr Du Plessis said repeatedly that the government is continuing to restructure the economy. We say:

1. Stop this restructuring immediately. Hundreds and thousands of people spoke today in marches and pickets to demand no unilateral restructuring of the economy.
2. Negotiate immediately in the economic negotiation forum.
3. Stop support for major capital projects until these have been discussed with the labour movement.
4. Negotiate an effective poverty relief program.
5. Remove VAT on basic foods, electricity and water, medicines and medical services.

6. Reduce food prices.
7. Equalise pensions.

Many items have been delayed by the minister to april. These must not be unilaterally decided. Du Plessis must negotiate now.

Issued by: ANC/SACP/COSATU [African National Congress/South African Communist Party/Congress of South African Trade Unions]

Nactu Says Budget Lacks 'Sensitivity to Workers'

*MB1903171992 Johannesburg SAPA in English
1505 GMT 19 Mar 92*

[Text] Johannesburg March 19 SAPA—The 1992 budget is negative, unimaginative, lacks sensitivity to workers and will have a negative impact on labour relations, the National Council of Trade Unions [Nactu] said in a statement on Thursday [19 March].

Nactu said Finance Minister Barend du Plessis had practically ignored demands for a national economic forum and had "continued to arrogantly assert" that the government would continue with the unilateral restructuring of the economy.

Workers' wages would again be diminished by the inflationary fuel price increase which would result in food and transport price hikes and set the stage for higher wage demands.

Nactu also forecast massive retrenchments due to government's failure to further subsidise transport.

There was no zero-rating of basic foods and individual tax payers would again carry the burden of contributing 41.8 per cent of the total revenue.

The company tax burden was far lower than that for individuals, Nactu said.

Tax on dividends had not been reimposed, meaning there was no tax on the wealth accumulated by whites "illegally through exploitation".

Nactu particularly criticised the "complete disregard" of the plight of farm labourers in the government's R [rand] 1-billion drought relief allocation.

"This drought relief is only to buy the sympathy of white farmers for the regime at the expense of tax payers."

While welcoming the expenditure on education, this did not address the education crisis, Nactu pointed out.

The budget on housing exposed the government's bureaucratic inability to spend money where it was most needed.

"The housing forum should be recognised and should work towards the expenditure of this money otherwise it will be carried over to next year's budget.

"Another R500-million will be allocated to the DBSA (Development Bank of SA [South Africa]) from the IDC (Industrial Development Corporation) which completely subsidises bad Taiwanese investors who exploit workers in Newcastle, Botshabelo, Ciskei, QwaQwa, Transkei and Bophuthatswana. These investors have complete disregard of basic human and trade union rights," Nactu alleged.

*** Police Blamed for Violence on Commuter Trains**

92AS0503D Johannesburg THE NEW NATION
in English 14-20 Feb 92 p 3

[Article: "Train Attacks—Our Story Stands"]

[Text] The police this week denied that they were not doing their best to investigate attacks on the trains—but an independent report released by lawyers who monitor unrest incidents backed up NEW NATION's claims that the police were not investigating the attacks properly.

Last week NEW NATION highlighted the failure to arrest and convict people responsible for 48 incidents of train attacks, which have resulted in 115 deaths and 570 injuries over a period of 16 months.

However, Witwatersrand police spokesperson Captain Eugene Opperman said this week that a person was convicted and sentenced to seven years in an attack where a person was killed and seven injured at the Braamfontein railway station last September.

But, an independent research report released by the Independent Board of Inquiry into Informal Repression (IBIIR) this week placed the blame for the attacks squarely on the shoulders of the SAP (South African Police) and Spoornet. It described their efforts as "half-hearted" and accused them of shifting the blame on to each other.

When the attacks began in September 1990, the SAP offered a R[ands]50,000 reward for information that could lead to a conviction and announced that they would patrol stations.

In October of that year Spoornet said station platforms would be patrolled by guards from private companies.

Following a resurgence of violence in June 1991, police vehemently denied that there was a Third Force involved in the attacks.

A joint SAP/South African Defense Force (SADF) train search last October was welcomed by commuters, but they complained that the searches were not at peak hour.

Subsequent police statements, said searching trains was too risky for uniformed personnel; that commuters were not forbidden from taking pangas and knobkerries into trains, and that police lacked manpower.

In response to renewed attacks last month, Soweto police spokesperson Captain Joseph Ngobeni said police had

enough manpower, but were hampered by locked inter-linking doors and overcrowding in trains.

*** Overcrowding in Western Cape Prisons Noted**

92AF0527B Cape Town THE ARGUS in English
19 Feb 92 p 2

[Article by Michael Morris, political correspondent: "Robben Island To Ease Squeeze"]

[Text] Western Cape prisons are overcrowded, housing 50 percent more prisoners than they were designed for and the government has acknowledged concern about prisoner-warder ratios following the Valkenberg Hospital breakout.

The maximum security political prison on Robben Island has been brought back on stream to absorb the surplus.

Minister of Correctional Services Mr. Adriaan Vlok said the prison population was "still within acceptable limits, but obviously we have to watch the overcrowding situation. At this stage there is no serious problem. It is not unmanageable."

He acknowledged that the warder-prisoner ratio of one to six was "not good" and that the breakout at Valkenberg last week highlighted the need for prison officers to monitor their charges carefully.

Western Cape prisons hold 18,000 people but are designed for 12,000.

The percentage overpopulation, varying from prison to prison, emerged in answer to a written question in parliament to Mr. Vlok by Democratic Party justice spokesman Mr. David Dalling.

Overpopulation at Pollsmoor in December was 14 percent in the medium B section, 48 percent in the medium A section and 69 percent in the maximum section.

At Victor Verster, overpopulation in the maximum section was highest—77.2 percent—and 68 percent in the medium B section and 58 percent in the medium A section.

Mr. Vlok confirmed that a pilot correctional supervision project—a probation-type community service scheme—would be launched in Cape Town next month to take off some of the pressure in prisons, and reduce costs.

Financial constraints were among the major factors hampering government efforts to keep up with the rising prison population. Plans to extend or build new prisons were determined by budgetary limits.

Mr. Vlok said a prisoner cost R[ands]42 a day to keep behind bars. Under correctional supervision, the cost would be about R16.

Correctional supervision—launched successfully as a pilot scheme in Pretoria last year—is to be expanded to the whole country.

South African, Namibian Press Review for 20 Mar
MB2003122592

[Editorial Report]

THE STAR

Budget 'Disappointing' But 'Expansionary'—Johannesburg THE STAR in English on 20 March in a page 14 editorial says that "at first sight the Budget is extremely disappointing in its failure to reduce heavy income tax burdens or even to offset fiscal drag fully. At the same time, the sharp increase in health and education expenditure, though badly needed, does not hold out much immediate promise for stimulating the economy. Nonetheless, there is no doubt that this Budget is expansionary." "The Government will be spending almost R[and]16 billion more than it takes out of the economy. This is equal to 4.5 percent of gross domestic product and an increase of almost R3 billion on last year's deficit. This can be regarded as 'pump-priming' on a major scale—despite the fact that it is not the best way to stimulate the economy." The budget is not the answer to the economic problems, but, if the outcome of the referendum is new foreign investment, "then 1992 might be a much brighter year for the economy than the pundits expect."

BUSINESS DAY

Editorial on Budget Incentives, Exports—"The Budget, laudably, included the incentives for exporters of beneficiated products," notes a page 10 editorial in Johannesburg BUSINESS DAY in English on 20 March. "We still emphasise export industries which can compete internationally because of factors—cheap power, availability of raw materials and so on—which are essentially unique to South Africa. The extent to which these incentives will enhance our longer term economic competitiveness is another matter. These days, success in export markets depends on being more productive than your competitors. That still demands incentives to persuade South Africans or foreigners to invest in technologically advanced manufacturing plants run by skilled operatives."

SOWETAN

Budget 'Not the Worst'—Johannesburg SOWETAN in English on 20 March in a page 8 editorial says, "in allocating R2,153 billion to housing, nearly doubling last year's amount, the Government has sent a strong signal that it is doing something about the housing crisis." Although the government failed to zero rate foodstuffs as demanded by the black organizations, it did not increase value added tax as was "feared earlier this month." "All in all, the Budget is not necessarily the best, but it is definitely also not the worst."

THE WEEKLY MAIL

Expected Increase in Rightwing Violence—"White South Africa has voted to talk, not fight," writes Steven

Friedman in his "Worm's Eye" on page 20 of Johannesburg THE WEEKLY MAIL in English for 20-26 March. "But, ironically, the vote may make talking more difficult for a while." "There will be no more white polls and the Conservative Party [CP] will have no new chance to stop change through the ballot. The CP is left with two options: to join negotiations or to resist change through protest, civil disobedience or force. It will probably split as part of it moves to join the talks." "The right could try to organise a general strike of white workers or other protest; fringe rightwing violence may increase. This will obviously make life tougher for the negotiators. But there is little chance of sustained rightwing rebellion: most no voters are unlikely to choose a last-ditch fight for white privilege. The white strike, if it is tried, will fail."

'Alarm' At De Klerk Remarks on Security Force—The page 22 editorial notes the "sophistication of the township killers, their access to weaponry and to intelligence, and the failure of police special investigators to crack the network strongly point to rogue elements within the security forces, or with security force links. De Klerk's record on this issue is not impressive and his post-referendum comments give cause for real alarm. 'There's a good relationship between me and the top echelons of the security forces,' he told Wednesday's [18 March] press conference. 'This notion that there is to be a purge of the security forces has no basis in truth whatsoever.' It may be that fears of a security force backlash, perhaps even a coup attempt, have prompted the government to stay its hand—but the time for pussyfooting and mealy-mouthed equivocation is long past."

NEW NATION

Pressure on De Klerk on Security Force Violence Involvement—"We must not be too euphoric in our celebration [of the referendum outcome] because the path towards a negotiated settlement and peace is strewn with many dangers," declares the page 26 editorial in Johannesburg NEW NATION in English for 20-26 March. The editorial notes the uniqueness of the referendum where "for the first time on our continent a white minority has voted to support a negotiated transition to a majority democratic government." "To that extent, white South Africans who voted 'yes' this week became true Africans, recognising that their future and that of the majority of black South Africans are inextricably interwoven." Now, the "most urgent issue that faces De Klerk is to move decisively against those elements in the security forces who have been responsible for the destabilisation and violence. He has committed himself to doing this and the country is now demanding that something be done, and done urgently."

WINDHOEK ADVERTISER

Media Lax on Reporting Overseas Trips, Interested in 'Joyrides'—Windhoek WINDHOEK ADVERTISER in English on 14 March in its page 10 editorial notes the President Sam Nujoma has "been back from his excursion to India for ten days now and we are still waiting for a

reportback." The Namibian Broadcasting Corporation, "which thrives out of the public coffer, went along on the [rand] 500,000 Gulfstream jet charter which ferried Mr Nujoma on his jaunt around (half) the globe. Journalists from these public organs of information dissemination are becoming notoriously lax in filing their reports to the public on their return from the endless traipses from one foreign state to the next." "There is no compunction that

anything more is expected from the endless series of joyrides disguised as field trips. And the paymasters appear to be quite oblivious. They, like the barnacles in their employ, remain unmoved." "There exists an entire community within the echelons of government media whose entire diary appears to consist of remorseless efforts to get a seat on yet another flight winding up as an overseas binge."

UNITA's Savimbi Addresses Nation 19 Mar

MB2003070192 (Clandestine) *Voice of Resistance of the Black Cockerel in Portuguese to Southern and Central Africa 1903 GMT 19 Mar 92*

["Address to Nation" by Jonas Malheiro Savimbi, president of the National Union for the Total Independence of Angola and commander in chief of the Armed Forces for the Liberation of Angola; place and date not given—recorded]

[Text] Dear unwavering members of the National Union for the Total Independence of Angola, UNITA, our big mass movement; senior commanders, officers, noncommissioned officers, and soldiers of the patriotic and revolutionary Armed Forces for the Liberation of Angola, FALA; the leadership and militants of the League of Angolan Women's leadership and its militants; the Workers Union of Free Angola; the Angolan Revolutionary Youth; the Revolutionary Student Union of Free Angola; all UNITA militants and sympathizers inside and outside the country; all Angolans [words indistinct]:

We have just marked the 26th anniversary of the founding of our very dynamic movement, UNITA. We now need to profoundly reflect over the path trodden by our movement. During this period of our movement's existence, we did not lack acts of courage and acts of treason. In general, we can conclude however that UNITA emerged more reinforced, more dignified, and more respected both inside and outside the country.

Without the difficulties that we experienced, UNITA would never have transformed itself into a full-blown movement. From the beginning of the sixties, our movement rose up gradually but firmly, finding roots throughout the country—from Cabinda to Cunene provinces and from Luao to Lobito cities, marking decisive steps forward in the struggle for national liberation, first against Portuguese colonialism and very recently against the internationalist communist coalition which we defeated. We now need to pause in order to be able to reflect over all that took place, be it good or bad, all that was approved and disapproved.

What motivated us from the first hour was to decisively contribute in this struggle that we view sacred. What motivated us to contribute with our own direct participation inside the country in this struggle was that our fatherland could find its destiny and restore its dignity in the midst of other African countries and foreign countries.

Above all, our fight was aimed at fully liberating our country [words indistinct] so that Angolans could express themselves freely and be the authors of their own destiny. To be free means in the first place to choose well. To be free equally means that those who make difficult decisions on the fate of people should also be free to decide, (?be it wrongly) and correct themselves afterward. In the exercise of politics, with no defined formula, what is most important is that once mistakes

have been recognized they should be dealt with head on. In the general assessment however, it is the most positive actions that make parties triumph over time and space, overcome difficulties, and defeat the adversary. This is what UNITA has done over the past 26 years.

The history of Africa is characterized with fragile institutions, and ethnic divisions. In the case of former Portuguese colonies which are today independent, there was absence of political activity. [Former Portuguese Prime Minister] Salazar and his predecessors, Salazar and his supporters, did not allow Angolans to fully participate in the political life of their respective countries [words indistinct] parties and the determination of common objectives for which human beings have always fought against in history. This was not the case with France where Africans took part in political life as deputies, on an equal footing, with the French in the National Assembly. Others even became ministers in the French Government.

Accordingly, we learned to fight together, people coming from different tribes, from different regions [words indistinct] in the present phase we equally learned to live in [words indistinct] democratic society, the political life of parties, the political life of Angolan people, should become difficult.

One would not be a good son, though, if one preferred someone else's parents. For that very reason, and despite all these difficulties, we prefer Angola, our own fatherland, to which we have given so much, and to which we would like to give all we have left of our lives, our courage, and our intellects.

We would like to state here our undertaking to all Angolan people that we are going to carry on. We will continue as UNITA. We will also continue upholding those ideals for which we have always fought, even when sometimes some people thought UNITA was lost. If there is a lesson we have taught Africa, and Angola, it is our great mass movement's unequalled ability to survive, and to resist.

If we were to tell how a party, a movement, an association, or an enterprise are created, we would find that there is always a founder and a co-founder, or founders and co-founders. The truth is only one, though: Someone has to have an idea about what has to be done. That person has to convey that idea to others. That person must have the ability to persuade, and reconcile. That person must always be ready to be in the forefront of combat when danger threatens the party, movement, association, or enterprise. That is how UNITA came about.

The idea came from someone, and it followed a route. From the date of UNITA's creation to this day the path has been long, and painful. Some have hesitated. Often, certain people lost trust in UNITA's future, but there were also those whom the soldiers, cadres, and the people knew who never left. Those people were in the

forefront of the combat, and they stood in the forefront when it came to defending UNITA's interests. Those people remain firm. If we quickly cast our minds back to the reasons that led to the creation of UNITA, we will think of obvious weaknesses in the Popular Movement for the Liberation of Angola, MPLA, and the Angola National Liberation Front, FNLA, in the 1960's, necessitating the establishment of another force that would directly join in the combat inside the country, side-by-side with the masses, soldiers, and peasants.

There was also a profound sense of revolt against Portuguese colonization. This was not just an historic phenomenon. There were also French, British, Italian, and Dutch colonies, but what was most revolting in Portuguese colonization was division and discrimination. Looked at in its various forms, the most terrible one was the taking of slaves from the country, and the enslaving of people into first, second, and third class Angolans. We made ourselves forward forces to fight those who were commonly known in Angola as the contract people [contratados], along with all the social ripples they caused. This was not only because of the vileness of those practices, but also because of the resulting division of people into first, second, and third class Angolans. That evil practice of dividing Angolans into privileged and nonprivileged classes still profoundly revolts us in 1992. We still feel repulsed by the pretension of some who think they were born to govern, and that others were born to be slaves in their own country. This is what we fight. This is what we will fight, and it has been the major foundation of our struggle over the years.

UNITA's victorious armed struggle against the internationalist-communist coalition in 1991 was intended to bring an end to that discrimination among Angolans. We may not have attained that objective yet, but we intend to do it. Much is easily said about roads that are tarred and roads that are not; about wards, and other areas that are not wards; and of privileges, and nonprivileges. Those are facts. They really happen. Nonetheless, they are facts that revolt us as responsible combatants and Angolans. Those are facts that will constantly be the cause of upcoming revolt.

It is necessary that true patriots examine their consciences, and accept that those injustices must end. Let it be noted, though, that we do not just want Angolans to be equal before the law. We also want Angolans to have social equality. This is something we desire with all our spiritual strength. We cannot enjoy restful lives when we know that millions upon millions of Angolans—even in Luanda, the capital—do not have minimum conditions in which to survive, let alone live. That explains why the rain does not only bring cholera to Luanda. It also washes down makeshift homes, and makes thousands of people sleep in the open in a rich country, and that is because the only thing the government has done well has been to steal the people's wealth, buy houses abroad, and (open) bank accounts.

Someone has to speak out this truth. When we arrived in Luanda on 29 September 1991, the MPLA thought that UNITA was some small party, a handful of men, but it realized quite soon that we carried conviction, that we had courage gained from our battles, and that we were ready to stand up to the government wherever it became necessary.

We have cooperated with the government within the framework of the Bicesse Accords, but we have attacked the government head on where we believe the government has erred, lied, or manipulated. The MPLA, whether Labor Party [PT] or no, is used to intimidating [as heard] and manipulating information. That ensures that there is no freedom for the political parties, and that there is no in-depth capacity to express the various problems affecting us. There are, however, constant blows.

We, in UNITA, have shown that we are not of that kind, and that we do not want to be. Through this message, I would like to promise to the people of Luanda, and the people of Angola, that once the few problems that still exist—there are imbalances between the conditions experienced by the urban dwellers and those people living in UNITA's free land—have been resolved, we will return to Luanda and we will continue telling the truth. We will continue telling the truth that hurts and makes the MPLA resort to ambushes. It will be the truth that we have promised, and which is the cross we will bear until the end. If you want to go a little deeper into the manner in which the MPLA-PT deals with UNITA, we can tell you that the MPLA has never been able to shed its preconceptions in order to confront the problem, and to conduct discussions on an equal basis, because its armed struggle failed. The MPLA had always thought it would treat UNITA as it might second class citizens. They acted on the basis of stupidity, disdain, and preconceived ideas.

Already during the first war against the Portuguese colonialists, there was a [words indistinct] in 1973 aimed at destroying UNITA. More recently, there has been Franceville, Lusaka, and Gbadolite in 1989, where the MPLA government's peace plan sought nothing other than UNITA's pure and simple elimination by proposing integration, clemency, and the removal of its chief.

Loy, the MPLA minister, said at the time that he had a document signed by me whereby I accepted \$10 million to go and live in Morocco. Now, we are conducting almost open discussions—I say almost because the media are still controlled by the MPLA-PT, the only party in power—and this would be the right time for Mr. Loy to produce that document. All that was solely intended to confuse the Angolan people. They do not have that letter. They do not have that document. They could never have secured from me a document whereby I agreed to subordination and contempt. Moreover, I have serious doubts that Loy ever picked up a weapon to confront the enemy.

In his 31 May 1991 speech, the president of the People's Republic of Angola, RPA, failed in his attempt to talk to the Angolan people and the world as a head of state. He was come to suffer from complexes arising from all the facets of the exercise of his duties. He was unable to cite the names of those with whom he signed the peace. The world knows that the Portuguese, who served as mediators, also perceived that low behavior at a solemn time in our country's history. The MPLA is continuing its massive propaganda against UNITA and its leader. The MPLA has shouted to every corner, even MPLA correspondents abroad have vigorously reported desertions from UNITA by (Mbombwe), our delegate in Bie Province; General Chilingutilla; General Numa; Pilartes, our deputy delegate in Benguela Province; Lameira, our mobilization secretary; and Brigadier Wenda, who is in Huambo.

In an act of truth, rather than of courage, all those figures have told the same media organs that the MPLA was lying in order to create the right atmosphere for Puna's and Toni's desertions. How can we in UNITA analyze Puna's flight? Toni was already abroad. We can only do it in the following manner: How was it that Puna, who went to Cabinda with the leadership's support, and it was not he who asked the government to go to Cabinda, unless there were already treasonous moves afoot even at that time. [sentence as heard]

It was the UNITA members within the Joint Political and Military Commission, CCPM, who asked our troops to go to Cabinda to grant protection to Puna. How did he leave Luanda together with all his family, though? How was he received in Portugal? In the end, Puna left Angola for Portugal with his entire family aboard the aircraft belonging to the president of the People's Republic of Angola. He was received by Portugal although his documents were not in order. Why must we ask ourselves so much about all these facts?

Because it was an MPLA operation. Everything that Puna and Toni say must be said to repay the services rendered them by the MPLA. The MPLA not only provided the aircraft for Miguel N'zau Puna to travel to Portugal, the MPLA not only negotiated with Portugal for him to be received in Portugal, the MPLA also financed the whole operation. If we agree, and it is not very difficult to see that a prominent UNITA member disappeared in Luanda as a needle might in a haystack, and if, in addition, an aircraft and financing were made available for that purpose, the conclusion one must reach is that this was yet another divisive ploy against UNITA in preparation for other moves. Our former colleagues will not be serving any democratic UNITA, will not find it easy to join the ranks of the Front for the Liberation of the Cabinda Enciave, FLEC, and time will show that they will end up making propaganda against UNITA much along the lines of MPLA propaganda. Those who pay demand their dues back. The bill the MPLA will place before Puna and Toni will be ugly and bitter propaganda against the organization they served for more than 20 years. This is what concerns us.

History tells us that even though great men of war leave, they remain deserters, while the armies they left retain their ideals, and continue their firm, liberating, and honorable struggle for freedom.

We would not want them to believe that their departure poses problems for UNITA. General Patton resigned in the course of the Second World War. He was the initiator of the tank speed tactics. Patton thought his resignation would lead to the defeat of the Allied forces but, instead, they won.

Moreover, we are not aware that our former companions had any skills in the areas of strategy, tactics, or maneuvers. We accepted them because they also thought that we should fight the Portuguese, and that we should oppose the Soviets and the Cubans. We knew, though, that there was a foundation of Cabinda nationalism beneath it all. They will wage the MPLA's struggle wherever they may be. No one will be fooled. All their speeches abroad are being beamed to Angola by the MPLA media.

What are the MPLA's aims? The MPLA has understood that UNITA is a force that cannot be neglected. It has understood that UNITA is a force to be reckoned with. Thus, it is resorting to other ploys. Who are the connivers? Portugal is. Everything is being done to tarnish the image of UNITA and its chief, so that more sinister acts can follow, assassinations included. We know of those and the Western secret services are well informed about them.

All those are typical MPLA ploys. The MPLA has always acted in an insensitive and inhuman manner over the last 16 years. It is not now that the Angolan people will start believing in the MPLA. Its weapons are intimidation and lies.

A lot is being said about human rights. I have said on various occasions that at one stage or another, human rights are violated in all wars. War is evil. War [words indistinct]. Whether war is waged by UNITA, the MPLA, the United States, or France, at one given moment, at one given point, human rights will surely be trampled upon, for the defense of the organization. The MPLA would never be, however, the harbinger shouting the defense of human rights.

The MPLA has massacred hundreds, if not thousands, of people. It did so neither at night nor secretly. Cuban apprentices that they were, the MPLA men carried out those massacres in the most execrable manner of political criminals in soccer fields, in the Revolution Ground in Luanda, in Dondo, in Huambo, in Luena, in Bie, in Lubango, and in Lobito.

What is more, the church has agreed to hold masses that have obscure political backgrounds. If the church decided to hold a mass, it should do so for the sake of all Angolan people who have fallen in the course of our long struggle, in which UNITA played the principal role. If there is democracy in Angola today, UNITA must be

credited with an important part of that spirit of democracy and tolerance. Had UNITA been vanquished in the last attack, the MPLA would have implemented its pacification, integration, clemency, and exile plans in the country. Puna has accepted those plans.

We are waiting because we believe that the Catholic, Protestant, and other churches showed different levels of courage during the liberation struggle against the Soviets and the Cubans. They never shut up, though. Do not shut up, now, and criticize: Be impartial. Be equal to yourselves. In Angola, we are living the times of transition from a communist dictatorship to a democracy, but that path is not complete, yet. There are five months to go.

To us, the main thing is to safeguard the Bicesse Accords and hold transparently clear elections in September. Only then will Angola have a legitimate government. The MPLA has been perpetrating acts of intimidation throughout Angolan territory, for which its media then blames UNITA. This makes us apprehensive, yet confident. The creation of the new army is yet another complex problem. The soldiers in the confinement areas, and even those who are already in the Angolan Armed Forces, have not stopped thinking about their own parties. They have not stopped listening to their leaders. They are men who were children yesterday. They come from poor and disdained families. They are men who overcame fear to build confidence in themselves. They are men who have walked the country, and confronted the enemy over the last 16 years. They will not forget where they come from, or where they wish to go, in four, five, or eight months. We need to be careful to ensure that a new army is really formed on the basis of harmony and peace.

Portugal is showing much shrewdness, but it will not overcome the real problems of men, their lives, and their consciences. They will certainly find one man or another hankering after easy money, who may sell off his conscience, but they will have to face up to the reality that those armed forces still belong to their parties.

The problem of demobilization is also very serious. UNITA will not in any way accept that its brothers—with whom it has fought, overcome fear and lack of confidence, and won decisive battles—be fired. The MPLA-PT government's main concern is to fire, because most of the soldiers who joined the People's Armed Forces for the Liberation of Angola, FAPLA, were abducted as they left their workplaces or schools. For that very reason, the MPLA feels absolutely nothing about dismissing them, and sending them into an uncertain future with 12,000 kwanzas. That sort of money means absolutely nothing these days. The MPLA chieftains have done well for themselves. They have money. They have homes. They have cars. They are living well. It is the sons of the peasantry whom they seek to sacrifice.

To us in UNITA, though, the soldiers who are in our confinement areas are our own brothers. We fought together in Uatuta, Mucunha, Cunene, Cazombo, Samba-Caju, Caxito, Maquela do Zombo, Quibaxe, and

in the last line of defense at Lomba. We cannot send our brethren into an uncertain future.

Through this message, I wish to promise our soldiers in the confinement areas that they can trust the UNITA leadership that it will find ways to ensure that all those who fought under its flag will lead dignified lives. We are completely destroyed. We will let our friends in the international community know about it. A poorly carried out demobilization process whereby our own brethren are fired must surely contain the seeds of revolt.

No one—be it the president of the Republic, the government, or a party—should be ignorant about the dangers of having more 100,000 men dismissed from the troop confinement areas with 12,000 kwanzas each. Those men will be frustrated when they leave for their homes because they will not be able to look after their own families.

Regarding the process of extending state administration, UNITA has granted all freedom for the government to conclude that process as rapidly as possible. There are areas where the government has found it very difficult to find personnel willing to go and discharge those duties. We would not like that, however, to become yet another pretext that will entitle the MPLA to claim later that it cannot carry out the electoral registration process because UNITA has hindered the state administration process. We are interested in elections, and we want the best to win.

The freedom of the parties, and their official recognition by the government are problems that have dragged on for an unduly long time. Either the government assumes its responsibilities as a government, and facilitates party registration, or then the government is what it has always been: The MPLA-PT and, in that case, there should be no pretense to distinguish between the government and the MPLA-PT. It is beyond understanding that no party has been recognized so far, with the exception of the MPLA-PT itself. Could it be that the MPLA-PT wants to play alone? Will we have the MPLA on one side, the MPLA-PT on the other, and Mr. Jose Eduardo dos Santos as the referee?

That would be unacceptable in this country. UNITA could never agree to that. The struggle waged by the UNITA members, militants, sympathizers, and armed forces was for justice and democracy. We must increase our unity in the face of difficulties. We have enough strength within us to make the government, and the MPLA-PT, act with impartiality and honesty in regard to the Angolan peace process, which was not created by the government itself but which is, instead, the process that UNITA has made possible.

Moreover, despite dirty thieving business between the MPLA and certain bad-natured Portuguese figures—and

I would like to make it clear that I am talking about certain Portuguese figures, not Portugal—who joined the MPLA in easy profit ventures, we ask Portugal to assume an impartial stand. Portugal should not exploit crises within Angolan parties to help the MPLA win the elections by fraudulent means.

Aguinaldo Jaime, the former finance minister, also left the MPLA government. That is a problem which affects to the MPLA alone. None of the other political parties attempted to exploit it. Letters written in a tone of despair have been circulating in Benguela and Huambo Provinces lately. They say that the UNITA president (has said goodbye and wants) to leave. Why so much venom against only one person?

It is not just the MPLA itself. All its allies, and all its lackeys—now it has another two—only attack UNITA and its leader. They should understand that they are giving us a clear message that we are powerful. The MPLA alone will not be able to bring us down. It needs to buy more people, form more groups, and write more letters. The Portuguese version of the letter doing the rounds in Benguela Province is full of errors. Its Umbundu version is not written in real Umbundu. There has been some mercenary who has agreed to write in Umbundu, even though he hardly knows the language.

Nonetheless, we would like to tell all UNITA sympathizers, members, militants, delegates, and senior officials that fear has no place among us. Let us perfect our political machinery. Let us make [words indistinct] new society with money, because our society was moneyless for 16 years. Let us not sell our consciences off for a few kwanzas, though.

We have defeated the Cubans on behalf of the weak. It is on behalf of the weak that we must win the September elections this year. There must be social equality in tomorrow's Angola. Each person must be able to secure means and respect in accordance with that person's abilities and the chances that come that person's way.

Let it be noted, however, that a society that is full of divisions and splits, where the most powerful and privileged believe they have received from above the right to lord it over others, will not serve us. To us, tomorrow's Angolan society will only be good if everyone has the chance to work. Each one must be judged and paid on the basis of one's abilities, but if there are castes in Angola that can be imported, and which come to enslave us, then we must be ready to give all we have, even our very lives, to make those people must understand that we will not stand up for that sort of behavior. They could not do it in Mavinga, Caxito, Samba-Caju, Cazombo, or Luena, and they are not going to do it in Luanda now.

We are determined to be ready for the upcoming struggle. We must be ready for a hard but victorious struggle. If the enemy were not weak, it would not need to resort to ploys including assassinations, low blows, abductions, intimidation, lies, and a completely debased media.

I would like to take this opportunity to say that the members of the Political Commission and of the Standing Commission held a number of meetings here in Jamba, and that Abel Chivukuvuku, a former ambassador, has been appointed UNITA foreign affairs minister. He is leaving for Luanda immediately to reorganize our foreign affairs service.

Militants of our glorious movement, members of the armed forces, and the Angolan people at large: Our hour will be in September this year for the poor, the forgotten, and the humiliated to win a place in the sun through their vote of confidence. As children of Angola, we want to be Angolans, and we want to be treated as such. May God be with us!

• UNITA Refuses To Shut Down Radio Station

92AF0508A Lisbon PUBLICO in Portuguese
20 Feb 92 p 19

[Article by Vitor Silva]

[Excerpt] Luanda—A disagreement regarding the regulation of radio broadcasting delayed the conclusion of the discussions between the Angolan Government and the UNITA [National Union for the Total Independence of Angola], with the possibility that discussion of the problem would be put off to another time.

Following the agreement on the general lines of the future constitution, when, from all indications, the "two-party" discussions were concluding without any surprises, an apparently "peaceful matter" gave rise to a small crisis. The issue is the operation of the two UNITA radio stations, one of which broadcasts shortwave through the transmitters of the Voice of America.

According to the draft bill for the Radio Broadcast Law, which did not stir up any controversy during the previous "multiparty" discussions, shortwave transmission is the exclusive right of the State radio and political parties are prohibited from operating radio stations. The UNITA has already made it very clear that it is not prepared to shut down its radio and says that any agreement sought on the topic must exclude this possibility at the outset.

At a partisan rally in Kipola, Jonas Savimbi harshly criticized the State communications media. In his message, he clearly defied "the commandos, the planes," to go to Jamba to destroy the Vorgan ["Voice of the Black Cockerel"].

The matter could be taken up in a second round of discussions between the two parties, so as not delay any further the approval of the rest of the legislation by the People's Assembly, which should convene next Tuesday.

Observers note that this is basically a political problem, for which the solution will also be political. In the previous week, the Joint Political-Military Commission (CCPM) had recommended that the two parties put an

end to their mutually hostile propaganda. This had already been recommended by Portuguese Secretary of State Durao Barroso and also by Jeffrey Davidow, U.S. assistant secretary for African affairs, during his recent visits to Angola. At issue are the Vorgan broadcasts and the "Fighting Angola" program of the MPLA [Popular Movement for the Liberation of Angola], whose aggressive tone is reminiscent of the old war years. [passage omitted]

* Troop Reintegration Programs Described

92AF0458D Luanda JORNAL DE ANGOLA
in Portuguese 23 Jan 92 p 3

[Article by Simao Roberto]

[Text] The Angolan Interministerial Office of Support for Demobilized Soldiers (GIAMDA), recently set up under the Office of the Prime Minister, is planning, through the PAFDE (Action Program for Training Demobilized Soldiers), to enroll 20,000 members of the Armed Forces who will be demobilized in intensive courses that will cover 56 specialties and will be held in 37 institutions in the country, according to a report made to JORNAL DE ANGOLA by a reliable source.

This program, that will receive support from the UNDP/ILO's [United Nations Development Program/International Labor Office] Project ANG/89/001, is designed basically to train demobilized soldiers from both FAPLA [People's Armed Forces for the Liberation of Angola] and FALA [Armed Forces for the Liberation of Angola], without discrimination.

These intensive courses will be free of charge, and are scheduled to run five hours a day for four months.

According to a source contacted by us, under this plan the courses will be held in 37 established training centers and various mobile units present in practically all the provinces.

According to what we were told, the courses in question will cover 50 specialties, mainly in areas in which our country's needs are greatest, to facilitate the integration of demobilized young men into civilian life.

We were assured that this training effort is also aimed at facilitating the former soldiers' access to jobs in sectors previously defined as potential areas of absorption.

It is important to note that the Action Program for Training Demobilized Soldiers (PAFDE) is divided into four major areas, such as the Initial Training Program for Demobilized Soldiers, "Develop your Business" (promoting the establishment of their own businesses), the Experimental Training Program in Mobile Units, and the Rural Development Training Program.

The first of these areas is intended to provide accelerated training to 20,000 demobilized soldiers through courses averaging 500 hours over a period of four months.

In this case, the program set the training period at 20 months, with an average of five courses in each specialty. It is scheduled to officially begin next March.

As regards the "Develop your Own Business" Training Program, it is intended to provide instruction in basic business management to 2,000 demobilized soldiers, and is designed to encourage them to set up their own businesses.

In this context, the program is planning a one-month training session on applying in Angola the "Improve Your Business" experience, as a first step towards designing a small investment project, scheduled to begin next month (February).

The Experimental Training Program Using Mobile Units, which is scheduled to integrate 1,000 demobilized soldiers in various parts of the country where there is no established center, also includes training in mobile trailer units and application of their own methodology, that is adapted to the program of the established centers.

Finally, the Rural Development Training Program, like the others, is designed to train former soldiers and reintegrate them into a rural setting, in a plan to be defined by officials at the Ministry of Agriculture and Rural Development.

It is worth noting that as part of this process, various training zones were outlined in the country with different specialties, distributed as follows: Zone 1 (Luanda-Central), that includes the Sady Mingas, Panificacao, National Business School, Post and Telegraph Office, C.F. Financial Sector, and Maquimport Centers.

Zone 2 (Luanda-Cazenga-Viana) will for its part operate at the Cazenga National Professional Training Center, E.A. Railway of Luanda, C.B. Administration, Hoji Ya Henda, TCUL [Luanda Urban Public Transportation], and FATA [Welded Pipes Plant].

Zone 3, that covers the city of Luanda and the surrounding area, will comprise the E.A. Bricomil, the Metallurgy Training Center, Cefopescas, and the Hotel Business [center].

Zone 4 covers the provinces of Kwanza-Sul and Benguela and is made up of the INP [Benguela Railroad]—Sumbe, Cuarca in the same municipality, and the Comandante N'Zagi Centers—CFB-Lobito, Comandante Cassange, and Industrial Schools of Benguela and Lobito.

Zone 5, in accordance with the previously designed program, includes the provinces of Huila and Cunene. The Mechanic Training Centers under the Ministry of Agriculture in Lubango, the Hotel and Business Center, and the Helder Neto-Namibe were chosen to be part of this zone.

Huambo and Bie belong to the penultimate zone of training centers in Huambo Province, including the

Fadario Muteka, Business Training Center, Hotel Business, Data Processing and Stenography, and the EFP [Professional Training School] in Bie.

Finally, zone 7, that covers the northern and eastern regions of the country, will have as its centers the Herois da Cahama Center in Cabinda, the 1 de Maio Center in Uije, the Amilcar Cabral one in Malanje, the EIC—Ndalatando, and the A. Neto in Luena.

It is to be noted that students considered to be qualified after the evaluation process will be given a professional skills certificate that will enable them to get a job in any sector of our economy or, as our source indicated, to sign up for the "Develop your Business" program so that they can work on their own.

* Portuguese Assist in Enterprise Restructuring

92AF0508B Lisbon O INDEPENDENTE in Portuguese
28 Feb 92 p 29-II

[Text] Angola needs cadres at all levels. Some Portuguese companies are collaborating in their training. But the best strategy is one that involves the creation and establishment of the added worth in that African country. And the results are there to see.

Sonangol [National Angolan Fuel Company] and the TAAG [Angolan Airlines] are two examples of how cooperation should be conducted with the Portuguese-speaking African countries (PALOP). Without complexes, as equal to equal, Coopers and Lybrand [C&L] have assisted the Portuguese-speaking African country with the greatest potential on the black continent.

"Our philosophy is not one of mere cooperation. We are in Angola—for the time being only through a representative office—to lend our services, just as we do here in Portugal. We are not treating anyone as adult to minor," Joaquim Russinho, director of the Department of Organization and Human Resources, of Coopers and Lybrand Portugal, told O INDEPENDENTE.

Like the other Portuguese-speaking African countries, Angola currently has great expectations for the future, but they all have a mass of problems to solve. All the major companies—they are rarely private—and public services suffer from the same evil: overpopulation. That is, they have too many people. And the excess is not measured in just hundreds of officials or employees.

There are companies that, by casual estimate, have some thousands of workers too many. This is the case, for example, of the CFM [Mozambique Railways].

The picture is no different in Angola. Most of the companies are overstaffed by as much as 50 percent. The shortage of upper-level cadres is still being felt, although the situation has improved considerably. "The problem of cadres is serious at the intermediate and lower levels," the C&L official commented.

No company or public service has benefited from a real integrated management plan. The problems facing Angola derive precisely from the fact that, with peace, expectations were created for the development of the country, but there was no consistent support at the level of human resources. Most of the training activities undertaken were simply a pretext for travel and a stay in Europe for some few cadres. There was no subsequent work.

"The concern of the C&L in this area was not only to provide on-site training for the cadres that the companies and public services needed, but also to conduct shorter-range activities with more immediate results," Joaquim Russinho explained.

In this regard, the actions undertaken by the C&L in Sonangol, at a cost of some thousands of contos, have borne fruit. The Angolan company is now preparing to sign a new contract with C&L Portugal, to follow up on the integrated manpower resources management plan that it set up in Sonangol.

The comprehensive plan presupposed the creation and integration of several subsystems, such as recruitment, training, career planning, wage policy, and so on. In this particular case, the training of work teams in each of these departments took place at Sonangol itself. "The cadres are there; they are working along the lines that had been defined for each department, and now Sonangol has come to us to propose an agreement for timely follow-ups on the progress of the integrated manpower resources management plan that we set up at Sonangol," Joaquim Russinho explained.

The TAAG signed a contract very similar to the one between Sonangol and Coopers and Lybrand Portugal. TAAG also wants to establish an integrated plan for human resources management, with the necessary subsystems. Here, too, some thousands of contos are involved.

In Angola, in addition to these two contracts (with Sonangol—already concluded—and with the TAAG), C&L has offered other programs for manpower training and reorganization in several public agencies.

C&L currently has a representative office in Angola. In time, it plans to develop that office into a delegacy and later to create C&L Angola.

* Financial Situation of Lunda-Norte Discussed

92AF0458B Luanda JORNAL DE ANGOLA
in Portuguese 5 Feb 92 p 3

[Article by Hortencio Sebastiao]

[Excerpt] (From our correspondent in Dundo.) Financial flows in Lunda-Norte Province last year exceeded those of the previous year by more than 60 million new kwanzas, which were reflected in a positive operating

balance for the provincial office of the Finance Ministry, according to Bravo da Rosa, a representative of that institution.

Bravo da Rosa also pointed out that "despite the difficulties entailed in the entry into force of the Government's new package of measures, in 1991 that agency of the Finance Ministry brought into the government coffers 313,814,859 new kwanzas, resulting from payment of taxes, duties, etc.

The province could have a budget this year estimated at 3,318,356,000 new kwanzas, out of which 2 billion will go to payment of wages.

As regards the government's fiscal operations vis-a-vis private economic agents that have been emerging more or less throughout Lunda-Norte, Bravo da Rosa regretted that they had not had any impact because of a shortage of material and human resources.

The Lunda-Norte Finance Office includes in its plan for this year the training of employees and an increase in inspection visits to municipalities, with a view to improving the fiscal situation as regards businessmen and other economic agents.

The strike by Endiama [Angolan Diamond Enterprise] workers in Lunda-Norte has now been going on for 30 days, and there is still no conclusive solution. The parties negotiating the list of claims have been rather quiet in recent days.

The group of air traffic controllers at Dundo airport attached to Endiama are also threatening a strike, in the event that the enterprise's management fails to respond to the claims contained in the memorandum presented last year.

In the memorandum, air traffic controllers gave their employer 24 hours to respond. If this strike is held, Lunda-Norte will be faced with real socio-economic chaos, since a large part of the goods that supply the local people in this province comes in by air, and that is not the only problem. [passage omitted]

* Cunene Agricultural Situation Discussed

92AF0458C Luanda JORNAL DE ANGOLA
in Portuguese 28 Jan 92 p 2

[Article by Carlos Mesquita, in Onjiva: "The New Challenges in Cunene"]

[Text] Agriculture in Cunene Province has undergone major upheavals. As a result of the low rainfall since 1986, the drought has taken its toll on Cunene's soil and has killed a large number of livestock.

Alongside the damage, it is estimated that about 400,000 head of cattle, over a million goats, and a half-million persons have fallen victim to the scourge, that has also ruined the peasants' few crops.

Among other things, the following factors have also contributed to poor farm production:

1. The systematic destruction of land and crops by the South Africans during the war of aggression in Angola in August 1981, on the one hand, and the semi-nomadic way of life created by the war, that paralyzed all social and economic activities of the people and forced people and herds to be constantly on the move in search of stability.

2. The flight of peasants and growers, who abandoned their farms for places where agriculture was not prevalent.

3. The lack of criteria to define priorities in the area of agriculture after the long drought, a fact that was aggravated by a shortage of farm tools, seeds, fertilizer, plows, and insecticides, among other resources.

4. The tardiness with which the Agriculture Office dealt with requests from peasants who wanted to obtain pieces of fertile land to resettle and begin their work again.

All these obstacles have resulted in poor farm production since 1986. Today they are acting to worsen the standard of living of the people, who in previous years have felt the effects of the famine.

The most affected places have been the municipalities of Kuroca, Ombadja, and Namacunde, where nearly 200 deaths have been recorded, and the harvest has produced no results.

The regions of Kuroca, Humbe, Ombadja, Otchinau, Cahama, Evale, Nehone, and Cuanhama are the ones that are most affected by the shortage of products and where the drought has killed over 300,000 head of cattle.

Steps have been taken, however, to deal with the disaster. One of these has been to rehabilitate 400 small vegetable gardens as cattle-watering places, and to transport water by tanker trucks for household use.

Another urgent measure taken by the local authorities was to repair artesian wells. This made it possible to save over a million head of cattle and about 2 million goats.

Despite the drought, in 1991 Cunene produced 190 tons of "rena" potatoes, 12 tons of feed sorghum, 12 of massango, 8 tons of beans, and 59 of garden vegetables, that only served to feed the local people.

According to what JORNAL DE ANGOLA learned about the requirements of this crop year, the provincial agriculture and rural development office is planned to distribute 62 tons of massango seeds, 30 tons of feed sorghum seeds, 30 of beans, 9 of peanuts, 94 of rena potatoes, 260 kg of vegetable seeds, and 40 kg of resin for pulp.

According to the head of the provincial department to support the peasants, Porfirio Samuel, 60,000 peasant families and 2,775 members of the 19 associations are

expecting farm production this year to amount to 3,800 tons of garden vegetables, 680 of rena potatoes, 1,788 of feed sorghum, 919,143 of massango, and 3,500 of peanuts.

To ensure the success of farm production, there is currently a project in Cunene Province sponsored by "Sateo Sogrean" and valued at \$82,136,500, that is developing farms in the areas of Namacunde, Kuana-hama, Ombadja, Kuroca, and Evale. It is being financed by the European Economic Community.

Another project on the drawing boards, that is geared toward hydro-agricultural and ornamental use and is valued at 29 million new kwanzas and \$2,755,900, will be carried out by the Agriculture Ministry's provincial office.

The authorities are planning to rehabilitate the agrometeorological stations at Onjiva and Xangongo, develop fruit orchards in the municipality of Cuvelai, open an experimental grain center in Mangote, mount hydrometric stations in Chibemba and Cahama, and create an agricultural institute to assist the peasants.

Livestock Breeding

The African Development Bank (ADB) has made \$23 million available to restore livestock production in Cunene Province. Under the project, Cunene Province is expected to produce 500,000 head of cattle this year. There are plans to rehabilitate about 53 watering places.

A slaughterhouse is also under construction. Work began in September of last year and is stopped at present. It is to have a capacity for slaughtering 15,000 cattle (or 2,500 tons of meat a year), 40,000 goats, and 300,000 hogs. The project is estimated at \$30 million, which has already been guaranteed by the EEC. This slaughterhouse will have the most modern technology, according to the source.

As far as parklands policy is concerned, the provincial office of the Ministry of Agriculture is planning to take rigorous steps to protect and preserve wildlife. According to Porfirio Samanuel, last year over 90 elephants and other animals were killed by poachers, mainly in the MUPA [expansion not given] National Park.

That official denounced the indiscriminate cutting of trees by the local people to build their homes in the northern part of Namacunde municipality, and the fraudulent transfer of Angola's forest resources to Namibia. There are plans this year to reforest some areas of the province to curb the desertification that is beginning to gain ground.

Another measure to be taken this year is to create a nursery in Xangongo municipality and plant trees in Xangongo, Onjiva, and Namacunde.

* Agriculture Ministry Discusses State of Sector

92AF0458A Luanda JORNAL DE ANGOLA
in Portuguese 28 Jan 92 p 2

[Article by Pereira Santana: "Agriculture Ministry Prepares the Ground"]

[Excerpts] [Passage omitted] For the general purpose of coordinating ideas and procedures, so that there can be a standardization of the activities being conducted at various levels to meet the challenges facing the agrarian sector at this current stage of peace and democratization in the country, officials at the Ministry of Agriculture and Rural Development (Minader) met last 22 and 23 January.

The papers presented for discussion and analysis at the plenary sessions and meetings of the working groups included the Organic Law of Minader, the guidelines for developing the agrarian sector from 1992-1996, training and social reintegration of refugees, displaced persons, and demobilized soldiers. [passage omitted.]

According to estimates based on surveys conducted in May of last year by the Research and Projects Office of the Ministry of Education, the urban population in 1990 was roughly 4 million inhabitants, or two-fifths of the total population.

One of Minader's goals for 1992-96 is to restore stability to the business world and ensure the supply of consumer goods and means of production. It is believed that the real impact of this decision will not show positive results until the second half of the five-year period. Along with these measures, an extensive network of rural commercial agents must be developed and priority must be given to restoring a minimum infrastructure.

To attain the general objectives, it will be important to expand market forces, decentralize decision-making, reduce administrative procedures in enterprises, and strengthen their capacity, while providing access to credit to rehabilitate facilities and install equipment.

Two Hundred Families to be Reintegrated

The social reintegration of refugees, displaced persons, and demobilized soldiers was another issue discussed at the meeting on procedure. Participants were informed as to the principles they should follow in reintegrating these people in the agrarian sector, and the procedure for coordinating activities.

The project to restore the productive capacity of rural people will, in addition to Minader's assistance, also have the support of the Ministry of Territorial Administration and the State Secretariat for Social Affairs. It will benefit a total of 207,000 families, scattered in 17 provinces in the country. The project is estimated to cost approximately 1,746 million new kwanzas, with an additional \$6,354,900.

It was pointed out that the agrarian sector in Angola has 428 high-level technicians and 1,883 middle-level technicians. According to estimates, Minader was counting on having at least 277 high-level technicians and 2,508 middle-level technicians by 1990, but it actually has only 233 high-level and 1,098 middle-level technicians.

However, the United Nations Food and Agriculture Organization is planning to help Angola train 909 high-level technicians and 4,546 middle-level technicians by the year 2000.

As regards legislation on granting property deeds and land use and development, Minader's meeting on procedure recommended that office instructions be drawn up and handed out to provincial offices and agencies as a way of standardizing the criteria for implementing the legislation.

Experimental Fish Breeding Project

Two tanks for fish breeding were inaugurated last Saturday in the Funda area by the minister of agriculture and rural development, Isaac dos Anjos, as part of an experimental project. They have a capacity of about 500 kg (for a six-month cycle).

The project cost 5 million new kwanzas, which was financed by the Agrarian Development Fund, DINAMA [National Agricultural Equipment Distributor], the Racoos Factory, and the Fishery Research Center. The Forest Development Institute was responsible for building the tanks.

According to Fernando Mesquita from the project's team of technicians, beginning next April the first crop of "cacusos", that are currently reproducing by the thousands, will be ready to be harvested.

For Fernando Mesquita, the fact that the name of the ministry is the Ministry of Agriculture does not prevent it from launching projects in the area of fish breeding. "In addition to agriculture, we can produce fish," he remarked, and went on to say that "we can produce many more fish in the country than potatoes."

Malawi

Bishop Discusses Printing Press Burning, Dialogue

MB2003110892 London BBC World Service in English
0630 GMT 20 Mar 92

[Telephone interview with unidentified Roman Catholic bishop by BBC reporter Martin Davis; place, date not given; from the "Network Africa" program]

[Text] The pressure for change in Malawi takes another step today when Malawians from all over the world hold a meeting in Lusaka, Zambia, to discuss political developments in their country. Now, this meeting is the latest in a series of events which started with an open letter to the Malawian Government. The letter, which was

written by a group of Roman Catholic bishops in Malawi, criticized the lack of basic freedoms in Malawi. Needless to say, the authorities were infuriated. They have banned the open letter, and they have been taking other measures to neutralize its effect.

Well, the latest news from Malawi this morning is that the printing press which printed that open letter was burned down overnight in a raid. The raiders also destroyed the machines inside. Fourteen people were injured, and four were taken to hospital. One Catholic bishop who witnessed the raid believes that the raiders were members of the ruling party in Malawi. A short while ago, we spoke to that bishop, on the line, he in fact spoke to Martin Davis.

[Begin recording] [Bishop] Last night, at around 0830 [1830 GMT] in the evening, we had a group of 20 people who came in and directly went to where the printing press is. They were coming from the Youth League of the party and they came directly, they smashed the windows and the doors, and finally they entered the house, then put fire to some machines, and they burned at least two rooms of the place. They were really burned down.

[Davis] Were you able to bring the fire under control?

[Bishop] (?Luckily enough), really, we have been helped by a school that is nearby, it is Luanga school. They helped very much to extinguish the fire.

[Davis] Has anybody been injured in all this?

[Bishop] Yes, some of the people who had come to burn the place were actually caught by the students and also some of the students were beaten up during the confusion that followed. One that I know is very serious [words indistinct] make it to the hospital [words indistinct].

[Davis] Has there been a police inquest started into all this now?

[Bishop] Yes, the police came last night and we were expecting them to come [words indistinct] what has happened.

[Davis] And what is your response to this? Does this put you back or do you think that it is now going to spur you into more action?

[Bishop] The point is that we really need the possibility of dialogue, the possibility of free talking, and this is the content, this has to be addressed. The letter, the printing, they are only means, they cannot be (?destroyed). What we need is, even more than before, really, a [word indistinct] for a peaceful dialogue.

[Davis] And are you being offered any chance of dialogue? Do you think there is a glimpse of hope of getting some dialogue started?

[Bishop] I really hope that the [word indistinct] big meeting in Zomba, the parliament, I hope is the best opportunity that (?words of peace) [words indistinct] the parliament, and really to cancel the words that were said last week, words that make people feel ashamed that we are threatening each other with death, and threatening the bishops and other leaders. We have really to come to words of peace and free dialogue.

[Davis] Indeed, we have heard reports this week that the bishops' lives are under threat, and that some members of the party have been [words indistinct] what is the latest situation on that?

[Bishop] From what I know, the bishops they are safe, but the same feelings of [word indistinct] of revenge, yes, that is what makes the situation.... [Bishop pauses, changes thought] Really, it is a must, a word of peace, it is a must to cancel those words of last week.

[Davis] And, finally, what is your next step of action?

[Bishop] It will depend very much if (?there is) what I call a word of peace and hope for free dialogue, and everybody will feel free to participate. [end recording]

Mozambique

Frelimo Central Committee Ends Ordinary Session

Chissano Urges Overcoming Problems

MB2003095292 Maputo Radio Mozambique Network in Portuguese 0500 GMT 20 Mar 92

[Text] Mozambican President Joaquim Chissano has said that with the holding of the Mozambique Liberation Front, Frelimo Party Central Committee's third ordinary session, conditions have been created to implement the decisions made by the Fourth Frelimo Party Congress.

Addressing the close of the aforementioned session early this morning, President Joaquim Chissano urged the Frelimo Party militants to keep in mind that all must work to overcome the problems facing Mozambican society.

The Frelimo Party Central Committee's third ordinary session approved the Frelimo Party's general internal regulations, and discussed reports by the Frelimo Party Central Committee Secretariat, and by the Political Commission, among other documents.

'Clear Governing Action' Stressed

MB2003113892 Maputo Radio Mozambique Network in Portuguese 1030 GMT 20 Mar 92

[Text] The Mozambique Liberation Front, Frelimo Party Central Committee concluded its third ordinary session in Maputo this morning. It noted the need to strengthen the exercise of power through the constant adoption of clear governing action.

The Frelimo Party Central Communique issued a final communique stating that governing action must be implemented on the basis of the principles of clarity, legality, and objectivity in every sector and at every level.

The Frelimo Party believes that the country's current difficulties demand more direct, rigorous, and hard-hitting action from the government, and the group of institutions making up the state apparatus. It recommends an organized intervention to discipline the military sector in order to increase the effectiveness of its chain of command, and of its performance.

Turning to the issue of peace in the country, the final communique of the Frelimo Party Central Committee's third ordinary session noted that peace should not be seen as likely to arise from the Rome peace talks alone. To be dignified and lasting, peace must be the result of the triumphs achieved by the Frelimo Party, the government, and the people in the defense of the fatherland, and in the reestablishment of social calm.

The document also said that joint action by the defense and security forces is fundamental for peace. It added that, more than ever before, it is necessary to improve defense and security management, discipline, and control by guaranteeing the payment of salaries, and by providing other logistical conditions. The Frelimo Party Central Committee's third ordinary session approved the party's plan of action for this year, among other documents.

Swaziland

Former UN Envoy Criticizes U.S. on Human Rights

MB1903185192 Mbabane Swazi Television in English 1630 GMT 19 Mar 92

[Report on statements by former ambassador to the United Nations Mr. Norman Malinga; place, date not given]

[Text] Swaziland's former ambassador to the United Nations, Mr. Norman Malinga, has urged local journalists to analyze critically the human rights records of those countries which are today threatening to withdraw aid packages from those who do not conform to the standards of the Universal Declaration of Human Rights. Pointing specifically at the United States, Mr. Malinga outlined some contradictions in that country, between what the United States professes to be and the way it treats African Americans before the law.

[Begin Malinga recording] According to a study in the February 1990 edition of THE LOS ANGELES TIMES, it says one of four black men in his 20's is in jail, prison, or otherwise under the control of criminal courts through

probation or payroll. The Crime Data Analysis was released by a sentencing project, a Washington non-profit group that lobbies for alternatives incarcerations. In this study a shocking revelation is made by (Mark Moore) when he said: We now risk the possibility of writing off an entire generation of black men from leading productive lives. This has ominous implications to the black community.

July 10, the same LOS ANGELES TIMES says: Violence is the number one cause of death for black males between ages 15-25. Their murder rate is 15 times than that of their white counterparts. In California black males are three times more likely to be murdered than to be admitted to the University of California. It says black men in poor inner city neighborhoods are less likely to live to the age of 65 than men in Bangladesh, one of the world's poorest nations. [end recording]

Mr. Malinga also charged that superpowers only have friends when it suits them. When it is convenient for them, continued Mr. Malinga, they compromised human life for self interest.

[Begin Malinga recording] State practice over the last 48 years since the United Nations came into existence, there was an intense competition. One important historical event that is most important, that is really relevant to our situation, it was the birth of the cold war. These superpowers then started to compete with each other. In the cold war East was fighting against West. What was happening then, those countries, the client countries, were to remain in that system. There was no change of government because there was to be a change of system.

Both East and West evolved, or I would say, they cultivated the leaders that they would install. Once a leader from an opposing system was installed, the sponsor will amass huge war warehouse arsenals behind him and that brought instability in Africa. There was a birth of what we know, coup d'etat. All of a sudden in our vocabulary there was the coup d'etat, you know, because it was very difficult to remove anybody installed by a system. Then there was the birth of a one-party state, one party state, because that individual regarded himself as indispensable and the sponsors did everything in their power to keep that man in power. [end recording]

Prime Minister Dlamini Lauds Referendum Results

*MB2003095592 Mbabane Swazi Television in English
1630 GMT 19 Mar 92*

[Text] The prime minister, Mr. Obed Dlamini, has mixed feelings about the outcome of the referendum votes which passed in South Africa yesterday. Mr. Dlamini made these remarks this morning in an interview with our man Sam Lukhele at the cabinet office.

[Begin recording] [Lukhele] Mr. Dlamini lauded the white South African community for the solidarity they have shown for their leader, Mr. Frederik De Klerk. The

Prime Minister stated that Swaziland should speed up its reforms in order not to be left out of the current changes taking place in southern Africa. He also stated that Swaziland must prepare to face the challenges lying ahead and she must be careful that the yes vote results have a serious impact in terms of economy and investment. Mr. Dlamini said the main advantage Swaziland will achieve from the results was that the economic situation would improve and the disadvantage was that there is a likelihood of an exodus of companies moving to South Africa.

[Dlamini] The problem that arises again is, on the final consequences of the [word indistinct] for success, if South Africa attains what it wants, that is, if it attains true democracy, we do believe that there will be stability in South Africa and out of that stability it means we'll also be in a position to benefit from the stable situation in South Africa. You know, we have realized through the Mozambican situation, that if a country is not stable the implications there will affect the neighboring states as we are affected by the Mozambican situation. We are, therefore, hopeful that once the South African situation eases we will benefit a lot out of their stability. However, there are certain disadvantages we might encounter if we don't clean our house properly. One of them is economic disadvantage, certain companies here, obviously, will flow back to South Africa once it has stabilized politically and economically, and this is the only fear I have. And another thing which is very important and this is important for the Swazis themselves, is when it comes to the reform process, if we don't reform fast I think the changes that are taking place in South Africa will have a direct bearing on us.

[Lukhele] Now, Mr. Prime Minister, what is your comment on the issue of the fighting or killing one another in South Africa? What sort of word of advice can you say, especially to those different organizations in South Africa?

[Dlamini] Well, we are all concerned. I don't think I am the only one concerned about the killings that are taking place in South Africa, in particular, amongst the black nationalities, but of late, I think the white nationalities too, because when we say the white nation we are merely making a mistake there. We have a lot of nationalities in South Africa. They are gradually moving towards that if they are not careful. They have to moderate their own political stances in order to avoid what has befallen the non-white races, in particular, the African section. [end recording]

New Political Party 'Swanfro' Launched 18 Mar

*MB1903144492 Mbabane THE TIMES OF
SWAZILAND in English 19 Mar 92 pp 1, 24*

[Report by Vusie Ginindza: "New political party launched"]

[Text] A new political party called the Swaziland National Front (Swanafro) was launched yesterday at the Tarven Hotel in Mbabane.

The organisation is led by Mr Elmond Mbo Shongwe and Mrs Glenrose Dlamini is the Secretary General.

Ignoring the ban on political parties here, Swanafro's plan of action calls for the reinstatement of the repealed constitution "so that all activities in it become operational as from April 12, 1973."

They have also called for the dissolving of Parliament on April 12, 1992.

Before the party was launched at yesterday's news conference, the party delivered a document to the Prime Minister, Mr Obed Dlamini, "showing how we want to help in the well being of our country."

Swanafro also calls for:

- His Majesty, the King to assume powers with appointed Council of Ministers who will not go for the election within a year.
- Political parties/movements to organise themselves for general elections within a year.
- The constitution to be amended in accordance with the laid out rules in it.
- There is need for the monarch as the head of state to be a symbol of unity of the Swazi Nation.

Shongwe and Dlamini told the press conference that they "are not coming from underground", but that they were launching the party for the first time.

They have resolved that nothing tangible is done within the next six months then Swanafro will "spearhead, and ask the international community to impose sanctions on Swaziland in order to comply to the principles of multi-party democracy."

"It is an open secret that since April 12, 1973, the Swazis as a people have been left as observers in the running of

Government and corruption, nepotism, fraud, inefficiency, etcetera have been moving at an alarming rate," their letter read.

"Now our economic development is getting weaker by day, in fact, is bleak."

Zambia

Mozambican Delegation Discusses Envoy's Death

EA1903160092 Nairobi KNA in English 1514 GMT
18 Mar 92

[Text] Lusaka, 18 Mar (KNA/PANA)—A six-man Mozambican Government delegation arrived in Zambia last night to confer with the Zambian Government following the death of that country's ambassador to Zambia, Mr Sharfudine Khan, who was found dead in his Kabulonga home yesterday, reports PANA.

The delegation led by Mozambican Minister Without Portfolio Mr Mariano Matsinhe today met Foreign Affairs Minister Mr Vernon Mwaanga and other government officials at the ministry headquarters in Lusaka. The delegation included Secretary of State for Foreign Affairs Mr Antonio Fernando Materula, Provincial Attorney-General in Charge of Zambezia Mr Rogerio Ernesto Buque and Inspector of Police (CID) Mr Lazaro.

The body of Ambassador Khan, who was living alone and had no security guards, was found tied to a chair with wires apparently after having been strangled.

The assailants did not steal anything from the house apart from his official Mercedes Benz car which they used as a getaway. The bandits appeared to be looking for some documents because papers were found strewn all over the house and in the garden.

Briefing newsmen last night at the ministry's boardroom, a shocked and grief-stricken Mr Mwaanga condemned the dastardly and heinous act, adding that government was shocked at the brutal killing.

The Mozambican team is expected to gather more facts related to the killing before finally making arrangements to fly the body to Maputo later this week. It is now at (?Maina) Soko hospital mortuary.

Niger

Government Calls for Tuareg Leader Dayak's Arrest

AB2003150592 Paris AFP in English 1437 GMT
20 Mar 92

[Excerpts] Niamey, March 20 (AFP)—Niger's government has "decided to arrest" a Tuareg political leader, Mano Dayak, accused by the residents of a desert town of involvement in a rebel attack, the official ANP news agency reported Friday [20 March].

The transitional authorities also suspended the operations of Dayak's tour agency, Temet, based in the "Tuareg capital" of Agadez, in the Air mountains some 800 kilometres (500 miles) from Niamey.

Dayak, who was meanwhile in Paris, told AFP he was seeking French support for efforts to bring about "talks between the government and the rebels to try to avoid a civil war which will be terrible for everyone."

People in Iferouane, 1,000 (625 miles) kilometres north-east of Niamey, have accused Dayak of helping organise in a raid Sunday by Tuareg guerrillas, two of whom were killed as they kidnapped 10 hostages.

Sources close to the government have for months accused Dayak, who is known outside the country as an organiser of Paris-Dakar motor rallies of past years, of fomenting the Tuareg rebellion.

He denied the charge in Paris, saying: "The enemies of dialogue have unfortunately viewed my efforts as a stance in favour of the rebellion."

Neither side could win a war and "negotiations are inevitable," Dayak said, three days after the government in Niamey announced that one of its envoys had met Tuareg rebel leader Rissa Boula to pave the way for official talks. [passage omitted]

On Thursday, the army flew relatives of hostages taken in Iferouane and civil servants there to the mining settlement of Arlit, north of Agadez.

FLAA [Front for the Liberation of Air and Azawad] leaders have given local authorities in Arlit an ultimatum to "step up the talks process" by March 25, ANP quoted reliable sources in the town as saying Friday. [passage omitted]

Army Chief Seeks Captain Boureima's Release

AB2003130092 Dakar PANA in French 1051 GMT
20 Mar 92

[Text] Niamey, 20 Mar (ANP/PANA)—Niger chief of general staff, Lieutenant Colonel Issa Maazou, today called on the Niger transition organs for the release on parole of Captain Maliki Boureima, "in order to boost the morale of the troops."

Capt. Boureima, it is recalled, was ordered arrested by the Niger sovereign national conference upon charges of summary execution of Tuaregs at Tchén-Tabaraden.

In a statement carried on national radio early today, Col. Maazou said that in the face of the rebellion in the northern part of the country "that dangerously threatens" national unity and the democratic process, the Niger Army needs, more than ever, to achieve cohesion and discipline, principles that are essential for the fulfillment of its mission.

According to Lt. Col. Maazou, Capt. Boureima's release is one of the main demands that the troops have made "with much passion," and which is compromising the much needed cohesion within the Niger Armed Forces. The chief of general staff called on the entire defense and security forces to show the sense of sacrifice and duty that goes with the military profession.

Nigeria

CIS Entities Accorded Diplomatic Recognition

AB2003063092 Lagos Radio Nigeria Network
in English 1800 GMT 19 Mar 92

[Text] The Federal Government has accorded full diplomatic recognition to 11 of the Commonwealth of Independent States. They are the states of Azerbaijan, Armenia, Belarus, Kyrgyzstan, Kazakhstan, and Moldova. Others are Russia, Tajikistan, Turkmenia, Uzbekistan, and Ukraine. In a statement in Lagos today, the minister of foreign affairs explained that the recognition was in consonance with Nigeria's foreign policy objective of maintaining good relations with all friendly countries.

Government Hails Outcome of S. African Referendum

AB2003160092 Dakar PANA in English 1144 GMT
19 Mar 92

[Text] Lagos, 19 Mar (NAN/PANA)—Nigeria said Thursday that the yes vote which endorsed the negotiating process in South Africa had now removed a major obstacle to the efforts to transform the country from a racially segregated one to a non-racial, united and democratic society.

In a statement from the Foreign Affairs Ministry, Nigeria congratulated President Frederik de Klerk, the people of South Africa and all the progressive and anti-apartheid forces for their affirmative stand on this crucial question which is central to the future of your country.

The statement, made available to the News Agency of Nigeria (NAN) in Lagos, added: Now that the way is clear for unimpeded, meaningful negotiations for a new South Africa, the federal government calls on all parties to unite their efforts to work for democracy, freedom and racial harmony in South Africa.

It said that Africa and the rest of humanity now urged white, black and coloured groups, working in tandem within the framework of Convention for Democratic South Africa (CODESA) to proceed to take appropriate steps toward ending violence, oppression and racism in South Africa.

President: No Hidden Agenda on Transition Program

*AB2003122092 Lagos Radio Nigeria Network
in English 1800 GMT 19 Mar 92*

[Text] President Ibrahim Babangida has again given the assurance that his administration has no hidden agenda on the political transition program. Declaring open a workshop of speakers of state houses of assembly in Abuja today, General Babangida reaffirmed that the military was committed to the transition program. He said rumors or speculations by some mischief makers had no foundation in logic or in truth.

President Babangida remarked that the flexibility of his government in implementing the program was not a sufficient ground for anyone to advocate the termination of the transition program. He said that right from the start, his administration had formulated the transition timetable as a (?living) process to allow for a periodic reexamination of actions already taken. On the Decree 4 of 1992 empowering state chiefs executives to appoint commissioners without consultation with the legislature, the president explained that the new law was not meant to promote either executive omnipotence or legislative impotence. He said it was intended to forestall the crisis of governance in some states which might affect [the] transition program.

New Dates for Assembly, Presidential Elections

*AB1903152292 Lagos Radio Nigeria Network
in English 2100 GMT 18 Mar 92*

[Text] A new date has been fixed for the national assembly election. The election will now take place on the 4th of July this year instead of November the 7th as earlier announced. Primaries into the national assembly

are scheduled for the 16th of May this year while inauguration will take place on the 27th of July.

The chairman of the National Electoral Commission, NEC, Professor Humphrey Nwosu, announced this in Abuja today after a meeting with leaders of the two political parties. He said that party primaries for the presidential election will commence from the 1st of August to the middle of September this year while the presidential election is fixed for December the 5th.

Editor of Independent Newspaper in Ibadan Arrested

*AB2003141292 Paris AFP in English 1343 GMT
20 Mar 92*

[Text] Lagos, March 20 (AFP)—The editor of Nigeria's oldest independent newspaper was arrested Friday in Ibadan over an article that said police were making random arrests of residents there, an employee of the newspaper said.

Folu Olamiti, editor of the NIGERIAN TRIBUNE, was arrested at his home in Ibadan, 140 kilometers (87 miles) north of here, the employee said in a telex message to AFP here.

He was detained in connection with a story entitled "Ibadan Under Police Siege," which appeared Wednesday on the back page of the daily, according to the source.

The article asserted that residents of Ibadan, the second largest city in West Africa, were now "living under the fear of incessant police raids" that began about two weeks ago.

It said plainclothes policemen have started to arrest people randomly on the streets of the city between 1800 and midnight, and only release them after these victims "have paid their way," the newspaper alleged.

Folu's deputy, Victor Antwi, was arrested Thursday over the same article but was released Friday morning, the source said.

The newspaper, founded in November 1949, is published in Ibadan, the capital of southern Oyo state.

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